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# ***JPRS Report***

## **East Europe**

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# East Europe

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## BULGARIA

### Backgrounds, Values of Opposition Personalities Attacked

90BA0163A Sofia DUMA in Bulgarian 7 Jun 90 p 5

[Article by Barukh Shamliov: "Black and White in Politics"]

[Text] The need for the existence of a political opposition in a democratic society needs no proof. If opposition did not exist, one would have to invent it. With its critical views that oppose those of the authorities, it sharpens the hearing and eyesight of any ruling party. However, any opposition should also be able to separate black from white in politics. It too bears responsibility for the destinies of the country: It is not a kind of "Mrs. Nol," which rejects anything past or present. This was well put by Solzhenitsyn: "A power that does not listen to its opposition is to be pitied. An opposition that does not put itself in the position of the ruling power is to be pitied."

Most of the leading personalities in the Union of Democratic Forces (SDS) claim that they have no past, unlike the Socialist Party, whose dealings are black and which has no future. Is this the case? Is it true that the leading opposition leaders have nothing in common with the so greatly hated totalitarian system?

With rare exceptions, most of them were raised within the totalitarian system. They were the priests in the totalitarian parish. For many long years, totalitarianism nurtured them and they, in repayment, praised it and wove wreaths to the leader and his system. Such spiritual hypocrisy displayed by that segment of the Bulgarian intelligentsia does not do it honor. We know that the favorites of the former regime never boast of their past. On the contrary, as a rule, they claim to be "women without a past." Yet many of them are former communists, party secretaries, and scientific workers, who offered "scientific" solutions to Zhivkov and his retinue. Very few are those among them who participated in even a single action of protest against the abuses of power. They did not sign a single letter or representation as a sign of protest against the illegal confiscation of the files of a poet, the detention of Havel, or the unparalleled racial discrimination against our Turkish fellow citizens. Is this what lack of a past means? Today, postdated, a novelist, for example, is trying to justify his political lack of character. He writes that, during the "years of the great fear, a simple noninvolvement in the affairs of the authorities was already something resembling heroism." What a depreciation this is of one of the strongest manifestations of the human spirit—fearlessness, refusal to subordinate one's conscience to the feeling of self-preservation.

There are those who insist that the Socialist Party should "apologize to the people" for its deeds. As the heir of the Communist Party, the Socialist Party not only apologized but also did a great deal more: It accepted political

responsibility. "Unquestionably," said Petur Mladenov, "we would be unable to surmount the crisis or restructure the party and society, or else prevent new distortions unless we sharply criticize the profound deformations that took place in our society and our party during the more than 30-year authoritarian Zhivkov regime. The present crisis and present condition of the party are the inevitable consequence and the public manifestation of these deformations." What greater courage could be expected of a party that has publicly criticized itself for the errors! No one has heard such words of repentance voiced by those who heroically kept silent, who kept their ears open and fawned and are now preaching political dignity to us.

Naturally, changes in ideological views and ideals are possible. Life changes, and so do views on life. There are disappointments as well. To begin with, however, such changes are a difficult and painful process that is filled with reassessments. This is not like breaking one's back or performing somersaults in the air like in a circus. In all cases, however, public proof is needed to the effect that the internal restructuring has some grounds. This particularly applies to candidate statesmen. Otherwise, the political apprentices, although dressed in new ideological clothing, remain apprentices. Second, why is it that changes related to disappointment in the socialist ideas are admissible and permissible for some but impossible and intolerable for the members of the Socialist Party?

The members of the nomenklatura and the cheerers of the authoritarian system sat on the same bench and were players and reserves of the same team.

However, even this does not represent the whole truth. The present SDS stems from the Club for Support of Glasnost and Restructuring. Its establishment marks one of the brightest pages in our most recent political history. It confirmed the truth that the ferment in the minds of the people is preceded by the ferment in the minds of the intelligentsia. If the scientific history of the club is ever written, it will become clear that the majority of its members, its backbone, consisted of communists. Let me name some of its active personalities and supporters to prove this point: Valeri Petrov; Khr. Radevski; Radoy Ralin; Blaga Dimitrova (not a party member); Nevyana Stefanova; Marko Ganchev; Yordan Vasilev (nonparty member); Academician Al. Sheludko; Professors N. Popov, K. Vasilev, Ned. Belev, Chavdar Kyuranov, Iv. Nikolov, and Ad. Fabrikant; scientific workers P. Simeonov, Nik. Vasilev, and Iskra Panova; journalists Kopr. Chervenkova, Vel. Dureva, and St. Prodev, and others. Unquestionably, the noted leader of the club was Zh. Zhelev, who was expelled from the party many years ago because of his writings in which he disagreed with the view about Lenin's ideas on matter and, subsequently, on the subject of fascism. It is the sacred truth, however, that reviewers and editors and, subsequently, the defenders of "Fascism" were communists.

In his desire to depreciate at all costs the activities of some communists in the club, Yordan Vasilev, the



present editor in chief of the newspaper DEMOKRATSIYA, claims that St. Prodev's name was not on the list of club members in his possession because he had not submitted...an application for membership. This requirement to submit a request for membership is not serious; it is laughable, when we remember the savage persecution to which the members of the club were subjected at that time. It turns out (according to Yordan Vasilev) that, without having a ticket bought and punched, one cannot emerge on the platform of the revolution and the clandestine struggle!

The club's actions in defense of democracy, glasnost, and restructuring, and against the most distorted anti-democratic manifestations of the Zhivkov regime, are numerous. The most outstanding among them, perhaps, was the mass action mounted against the initiated racial discrimination of our Turkish compatriots. With representations to the State Council, the National Assembly, some embassies, and the Free Europe and BBC radio stations, public opinion both in the country and throughout Europe found out that there are forces in Bulgaria that, without any stipulations, separate themselves, stand out and condemn the forced assimilation, and, as a whole, oppose the totalitarian regime.

Also indicative is the example of the Committee for the Defense of Ecology in Ruse. That committee was crushed most brutally, and most of its repressed members, who were communists, were expelled from the BCP [Bulgarian Communist Party] Central Committee Secretariat.

The case of the group of intellectuals who had been invited to breakfast by French President Mitterrand in the French Embassy is also worth mentioning. Only three of the 12 guests were nonparty members. All the others were party members. Was this accidental? One-half of the 12 were members of the club. The others were not. Both, however (and all of them spoke out), emphasized that there was no glasnost and democracy in Bulgaria, and that there was more talk of restructuring than was actually happening, and that, one way or another, anyone who differed from the official party and state authorities was persecuted. In other words, the basic political theses of the club were defended.

How are we to interpret the fact that members of the Communist Party, noted Bulgarian scientists and writers, and established journalists, people with secure careers rejected, by virtue of their membership in the club, the benefits granted by the authorities, endangered their membership in a party in which some of them had been members for decades, and subjected their own well-being and their own selves to trials?

The explanation is not all that difficult. With their participation in the club, the communists took outside the party the struggle for glasnost and democracy and for the restructuring, on a new basis, of both the party and the state, opposing corruption and promoting the restoration of the purity of the socialist ideal and individual

morality. They dedicated to the club their intellectual authority and organizational experience and unquestionable moral capital in the name of freedom and human rights and for making their homeland a modern democratic socialist country.

The name itself that the club chose was extremely indicative: Club in Support of Glasnost and Restructuring. To the former members of the club and the present leadership of the SDS, the word restructuring is a thorn in the side. Today they do not even wish to hear about the restructuring of socialism but encourage its changing into Swedish or American, as long as it is capitalism. Professor N. Genchev, another former supporter of the club, writes: "The word 'restructuring' conceals the wish to preserve the totalitarian system—that is, the type of system that has already been filed in the archives of history, having proved its entire historical groundlessness." Ah, Professor, in your present anticommunist blindness, you could not even consider how far such a claim could lead you! It turns out that the members of the club, including its then chairman and you, personally, before 10 November, struggled and suffered for the assertion of...totalitarianism!

Right-wing forces, which are increasingly spreading within a certain group of leading SDS circles, nonetheless disbanded the club and lightheartedly renamed it into Club in Support of Glasnost and Democracy.

By no means do I claim that, before 10 November, the club held a monopoly in the struggle against Zhivkov's totalitarian regime. That struggle also included reformers at the "top" of the Communist Party; it also included the parties headed by Dr. P. Dertliev and M. Drenchev, who were not members of the club but who did not surrender. Objectively considered, however, the overthrow of totalitarianism was mainly the work of the Communist Party. I understand the reasons of Zh. Zhelev, who claimed on the "Every Week" television program (3 June 1990) that the overthrow of totalitarianism was the work of the opposition forces in Bulgaria. Prior to the elections, he is seeking to gain moral and political capital, which he lacks. His claim does not coincide with another claim published in some interviews, to the effect that "the 10 November event totally surprised him."

The truth is that, on 10 November, the opposition forces, currently rallied within the SDS, did not emerge from their clandestine hideouts either then or before; they did not "hold" the streets and squares in their power. Paradoxically, they were granted freedom of speech and organization and assembly, and were handed their own newspapers on a silver platter. This is the reason for the internal weakness of the present Bulgarian opposition, unlike the opposition in Poland and Czechoslovakia. However, this also indicates the strength and authority of the party of Bulgarian socialists, however many aspersions may be cast on it today. The 10 November revolution was its doing. This merit cannot be denied to the

party, whatever efforts are being made to belittle in the eyes of the people the party's historical role in this case.

### **Vietnamese Embassy on Clash Between Bulgarians, Vietnamese Workers**

90P20080A Sofia DUMA in Bulgarian 8 Jul 90 p 2

[Sofia Informatsiya report: "Vietnamese Embassy on Incident in Botunets"]

[Text] The incident in Botunets was the subject of a letter to the editors from the Embassy of the Socialist Republic of Vietnam that states that it occurred because four drunken Bulgarian citizens—two youths and two soldiers—forced their way into a hostel at 18 Botunets inhabited by Vietnamese workers. Information about this incident was reported by BTA [Bulgarian Telegraph Agency] and published in the 6 July issue of DUMA.

According to the information provided by the Vietnamese Embassy, the Bulgarians forced their way in and assaulted the Vietnamese, one of whom received facial injuries. Encountering resistance from the Vietnamese, the Bulgarians were forced to flee and took shelter at 16 Botunets, where other Bulgarians were living and where the fight continued.

Instead of preparing an official report confirming the hooliganism of the four Bulgarians, the Bulgarian authorities concentrated their forces: five militia cars and a number of police dogs. Next, they sent two armored vehicles and a detachment of "Red Berets."

According to the letter, the situation stabilized and the Vietnamese Embassy sent representatives to the scene.

The Bulgarian authorities acknowledged the truth: The four drunken Bulgarians were to blame.

The embassy expressed regrets for the incident and noted its desire for the Bulgarian authorities to employ the necessary and effective means to guarantee the safety of Vietnamese citizens living in Bulgaria.

## **CZECHOSLOVAKIA**

### **Editor of SVEDECTVI Reviews Current Prospects**

90CH0195A Bratislava SMENA in Slovak 7 Jun 90 6

[Interview with Pavel Tigrid, editor of SVEDECTVI, by Peter Martinek in Paris; date not given: "Pavel Tigrid: Czechs and Slovaks Have Tremendous Historical Chance"]

[Text] "Yes, sir, you can come. I can have a beer or whisky if you want, but I won't give you an interview for the newspaper." This was not an overly auspicious start of my telephone conversation with Pavel Tigrid. I was calling from a Paris post office near the Louvre, a mere few hundred meters from the Petit Champs street where the SVEDECTVI publishing office is located. It was clear

to me that I could not allow myself to be deterred at any price. "Alright," I replied, "I gladly accept your invitation." It occurred to me that it is downright impossible to discuss with someone who has devoted fifty years of his life to politics things like weather or when the Eiffel tower will be painted again.

Tigrid—the name has an almost legendary sound to me. When it was brought up in our country in the past, it was only with the most stinging invective: imperialism's hireling, agent of foreign powers, and I don't know what else was employed by our propaganda and official political science to discredit this man. His entry into, or rather start on, a career as a political journalist and publicist dates back to March 1939. Perhaps even unwillingly so, since from the days of his youth he was attracted more to the theater and literature. But then Hitler was already polishing his boots to enter Prague Castle in full splendor—and the 22-year old law student at Charles University, Pavel Tigrid, mounts his motorcycle and flees westward in anticipation of the coming reign of terror. In London during the war he works at first as an announcer for the BBC Czechoslovak service and later as an editor of the exiled Czechoslovak Government's radio broadcasts. After the war he continues his journalistic career, first at the OBZORY journal and subsequently VYVOJ. He is totally opposed to February 1948 and becomes an exile, for the second time and for good. A refuge is offered him at Radio Free Europe. As the program director of the Czechoslovak service in 1952 he refuses to carry out the hardline confrontational course threatening to unleash a military conflict between East and West, and leaves for the United States. Before becoming the publisher of SVEDECTVI he goes through several stages. He waits on tables and works as a freelance journalist.

The door to the editorial office was opened for me by a young man belonging to the small collective. All of them can be counted on the fingers of one hand. Evidently I caught Pavel Tigrid after a rather exhausting day. Nevertheless, he invites me agreeably to his office.

"So what is new in SMENA?" He asked me just as soon as I managed to sit down in a wide leather chair. "And, may I say that I would like to subscribe to your paper," he added. Well, at least something, I thought. If I don't bring back an interview, at least I will have gained one hard-currency subscriber.

Randomly I open some old issues of the SVEDECTVI journal. Skvorecky, Havel, Svitek evidently were among his frequent contributors.

[Martinek] Let me admit that all I know from your journal were passages occasionally quoted on the Voice of America. I believe that it had a rather hard time reaching readers in Czechoslovakia. What future is awaiting it now?

[Tigrid] For 34 years SVEDECTVI was being published as an exile journal, smuggled into Czechoslovakia in rather complicated ways and also with losses. The best

way to view its genesis and that period of more than 30 years is offered by the double issue which just came out in the Prague Melantrich publishing house.

On more than 500 pages we brought together a selection from the most substantial articles we published in the past. As for the future, we have no fears because there is a great deal of interest in SVEDECTVI. Our editorial office will remain in Paris but the content of the journal will be completely different. Ninety-five percent will be devoted to developments abroad. Czechoslovakia will get very little of our attention. Which means that we will focus on what moves the Western world in literature, philosophy, economics, and politics. We will inquire in the meaning of liberalism, of capitalism. These and similar subjects used to be presented in Czechoslovakia in a rather distorted fashion.

Our reader will find in the journal what he would have to look for in foreign language journals and books.

[Martinek] Have you considered that now, when you are no more an exile journal, you might move the editorial office to Czechoslovakia?

[Tigrid] Well, it will be printed and distributed there. But we will continue editing it in Paris because here we have plenty of excellent contributors, good contacts to various institutions, and we can quickly find interesting people. And not just in France but also in the United States, Italy, Great Britain, and elsewhere. Yet we have no intention of becoming some sort of a superintellectual review. We have coined a slogan reminiscent of Bata: SVEDECTVI for people who want to know more.

[Martinek] Let me now strike a different chord now being played in the whole preelection campaign and which is producing different tunes. It is the Czechslovak relationship and the future constitutional arrangement of our country. You are looking at this problem from a decent distance, so...

[Tigrid] First of all let me note that you have a president who has always affirmed the right of self-determination, which is either accepted or not, which one respects or does not respect. We respect it, and so if the majority of Slovaks wanted to have their own state and the majority of the nation sought to attain this goal, it would be something one must respect. This is the basic principle. Another question is whether such a state could prosper in every regard, and whether it is really worth breaking up the Republic which has a certain tradition. I believe firmly that it will not be necessary because in a new Europe striving to assume the form of a confederation it will be really possible for each nation to maintain its profile in every respect. Above all in the cultural sphere, but in the economy as well. The principle of a federation—a genuine one, not bogus as it was practiced by the totalitarian regime—seems to me the most suitable and without great problems. On the other hand I understand that Slovaks who for 40 years had no say in the so-called Slovak question would now nearly all want to voice an opinion.

Hence we also see chauvinist, right wing, anti-Semitic views appearing. But this is taking place all over the world. For instance here in France the anti-Semitism is wholly latent but vicious. So I wouldn't make a federal case out of it. It must simply be given an opportunity to vent itself. One has to hear everything and then draw the line and make a decision. But there is no need to harbor illusions; there always will be problems, only one does not have to artificially provoke them. After all it is wholly natural that it is first our neighbor with whom we get into a dispute. Only we have to handle it in a civilized fashion.

[Martinek] You made a brief reference to Europe changing its shape. What chances does the West give us for success in this large family of European states?

[Tigrid] I believe that the vision of a future Europe was summarized best by Vaclav Havel in Strasbourg where I accompanied him. I don't know whether this approach is realizable right now or only tomorrow but one thing is certain, that it is the only correct approach. I see it here not only in the interest shown by investors to inject their capital into the country, but also in the capabilities of our people. It is generally known in the West that Czechoslovakia is a country with a small foreign debt, relative stability, and a certain tradition of democracy. It is a country where basically everything works, even though rather poorly right now. Trains run even if they are dirty, industries produce even if for now at the cost of devastating the environment. Czechoslovakia will surely become part of an extremely powerful continental economy which will be the world's third superpower. Maybe even the second if the Soviet Union collapses. United Europe could become the guarantor of Germany's rightful development. This is something to be concerned about because I am not sure whether it would be the best thing for Germany to play the decisive role. So Europe is being born with difficulty because each country has its own notions and does not like to share with others. For instance between France and England there are great differences. The same goes for Benelux and Spain. But perhaps it is precisely for this reason that this continent is so charming. Everywhere you find something different, beautiful.

[Martinek] But we are a part of Central Europe.

[Tigrid] In this regard I am a great optimist. I believe it won't take long and Central Europe first of all will play a key role. Naturally also Bratislava with its prime location. The first example is the European University which will be located in Bratislava. But I know also of many other European institutions preparing to open their offices in Bratislava. You can trust me that we, too, the "ugly Czechs" [Cehuni osklivi] who live abroad, are promoting the placement of the greatest possible number of international institutions in Bratislava. And this for entirely logical reasons. I was in that city recently and came off with the impression that people there are given to some feeling of insecurity or inferiority, which is totally unwarranted. I could give you a whole list of the

bad traits the Czechs have, but they suffer from no such complexes. On the contrary, sometimes they are much too self-assertive. I don't know where these Slovak complexes come from but I think they are wholly unnecessary.

[Martinek] You mentioned that you accompany Vaclav Havel when he is on a visit to France. Does this stem from your function as a presidential adviser? What are the other roles of the advisers abroad?

[Tigrid] In the first place, this group of ours, counting I believe 17 people, should not be overestimated. The original idea was that we who have lived for years all over the world could be helpful to the president with our regional knowledge. There are Czechs and Slovaks living almost everywhere. Many of those who left after 1948 have advanced to influential positions. So we can occasionally offer advice on who is who, or how to go about something. Not that the president would urgently need it, but sometimes it helps when we find something of substance. If the president has an interest in a certain matter, it is our role to find out about the details. But this changes nothing in the fact that all of us presidential advisers are foreign citizens and therefore may not meddle in domestic political affairs. And we do not meddle. My greatest joy is the generation of young Czechs and Slovaks already born abroad, who completed their education abroad, and now want to help Czechoslovakia even if they don't want to return there. This is a reservoir of intellectuals, specialists in a variety of fields. I like to draw attention to these people too.

[Martinek] I believe that our further political evolution will create mechanisms capable of guaranteeing democracy. Nevertheless, is there the danger of a reversal on this road?

[Tigrid] No, there definitely is not. And if so, then surely not from the direction people probably have in mind. I am now referring to the Soviet Union. Whatever may happen there, even if the craziest marshal comes to power after Gorbachev—something that cannot be excluded—Central and Southeastern Europe is lost to this crumbling empire. It is simply incapable of making satellites out of these countries. It would bring a wave of civil wars, in short, a catastrophe. But it's idle to talk about that. In my opinion Czechs and Slovaks are not threatened by any danger from Sudeten Germans, or from Russians or Poles or I don't know who else. But perhaps there may be a danger after all from the Czechs and Slovaks themselves. They still have a tremendous historical chance which perhaps they may not yet be able to appreciate themselves. What happened last fall in Central and Southeastern Europe is a genuinely historic event.

It is a movement greater in importance than was the Bolshevik revolution. It is simply a tidal event in history and now it is up to each nation to fashion a democratic country out of the newly created society. In Czechoslovakia there is a tremendous potential of above-average

intelligence. This you won't find everywhere. So we have every chance. But the question is whether we will be able to keep our nest and clean it, or get bogged down in petty squabbles and miserable polemics, thus wasting the opportunity we have in the country as well as in the world.

### **Slovak Educator Rejects Reform Communism**

90CH0195B Bratislava SMENA in Slovak 7 Jun 90  
pp 1-2

[Interview with Miroslav Kusy, political scientist, journalist, and rector of Komensky University, by Alexej Fulmek in Bratislava; date not given: "Disillusioned With Reform Communism"—first paragraph is SMENA introduction]

[Text] The person of Miroslav Kusy needs no special introduction. He is one of the victims of the "normalization process." After the wreck of the renewal process he refused to write a self-critique and rejected also emigration as a way out of the situation. In the aftermath of signing Charter 77 he was isolated and persecuted. In 1989 he was sentenced in the trial of the so-called Bratislava Five. Upon his release he became a protagonist of the November revolution. His book "On the Waves of Free Europe" from the Smena publishing house is presently appearing on the book market. It contains a selection of Miroslav Kusy's commentaries broadcast by Free Europe in 1987-89.

[Fulmek] In the 1960's you gravitated toward reform Communism. You supported the idea of socialism with a human face. After August 1968 you even became head of the ideological department of the CPSL [Communist Party of Slovakia] Central Committee. In the spring of 1969 you were dismissed from this post for disagreements with Gustav Husak. What kind of disagreements were they?

[Kusy] We believed that after the invasion of military forces it was still possible to salvage something, that we might manage to get the Soviets to yield a little and that the issue was to salvage at least some of the democratic gains. We even had an agreement on this with Husak. We concurred in identifying the basic values we cared for the most. In the first place this was the Communist Party's action program which contained the formulation of democratic principles. From the action program we did not want to retreat even by a single step. The other consideration was of a personal nature. We adopted the slogan, "We stand or fall with Dubcek." Thus we wanted to keep in the highest offices people with reformist tendencies. Husak was retreating step by step from these undertakings and this culminated in April 1969.

I insisted on these undertakings and this brought me into an increasingly sharper conflict with Husak. We were trying to press the concept of liberalization and democratization even after the invasion of military forces, but Husak took a tough course. The conflict grew progressively sharper and from April 1969 onward all those



representing the democratic wing were being removed from politics; the Party began to acquire the profile of a manifestly conservative force. I, too, was cast out of the apparatus and even expelled from the Party. As it turned out, our misgivings about the Soviets were not that well founded. There emerged a factor we had not reckoned with: that a domestic leadership would emerge doing the Soviet's work even beyond what they demanded. We always had before our eyes the Hungarian example. After having their uprising bloodily suppressed, the Hungarians were left with a certain room for reform. They took advantage of it, while our leadership set out to constantly restrict this room.

[Fulmek] When did you cease to believe in the idea of reform Communism? Or have you remained a Marxist? In his letter to Messrs. Pozsgay and Mazowiecki, Vaclav Havel characterized you as a Communist who is working to end the party's power monopoly anchored in the Constitution. Should there exist a Communist Party of, say, the French type, would you be its member? Do you believe in the possibility of reforming the present Communist Party?

[Kusy] Vaclav Havel used this formulation for tactical reasons, to move these gentlemen to work for my release from prison. I have spent many a night in discussions with Vaclav Havel. Our disillusionment with the prospect of reforming the Communist Party was unequivocal. We knew that reforming socialism of this type leads to a blind alley. Thus I have been a nonbeliever in reform Communism for no less than 20 years. Yet on several occasions I sought to explain that I regard myself as a Marxist genetically. I cannot deny my Marxist premises, nor do I intend to. Just as my parents who conceived me determined my being, so is Marxism determining it genetically. But my parents have not been with me all my life and have not provided the sole source of my education, upbringing, and moral principles. The same goes for Marxism. I am deeply convinced that a reform of the Communist Party is not possible, that the world has come to a different point from where it was at the beginning of this century, that it is entering a qualitatively new situation. We are not concerned with building socialism as something for the near or more distant future, because that would mean putting off problems. The need is for building something which is identifiable immediately.

[Fulmek] Doesn't it seem to you that reforming Communist parties will ultimately lead to a return to social democracy and a natural death of Communist parties?

[Kusy] In my opinion the Communist movement in Europe is losing its reason for being under present circumstances. Social Democracy has developed tremendously, but unlike the Communists it did so in a positive way. It is creating real conditions for a decent life. I am thinking especially of the Swedish model of socialism, or the Finns.

[Fulmek] In the book just being issued by the SMENA publishing house there is a letter addressed to Miroslav Valek in which you react to his November 1988 article "Let's Not Devalue the Moral and Political Capital." In that article Miroslav Valek expressed a harsh condemnation of real socialism, but you reproach him for failing to accept the logical consequences flowing from this condemnation. In other words, that he remained in the CPSL Central Committee Presidium and in the post of culture minister. But shortly thereafter he voluntarily stepped down from these positions even though he was not forced to. Hasn't this act changed your unflattering appraisal of Miroslav Valek?

[Kusy] There are two things involved: the view of Valek as a man who has made a mistake and confesses it, and the view of Valek as a politician. In decent politics there is no room for a turncoat: If someone represents a certain erroneous concept and fails, he should go. A person compromised by past activities lacks the moral right to remain in politics. I wrote that letter at a time when Valek was still in politics. His article led logically to only one conclusion, which he ultimately drew in a certain sense.

[Fulmek] Your book "On the Waves of Free Europe" is above all a testimony to the recent past. The observations, feuilletons, and commentaries are not a profound analysis of reality but rather its critical mirror. Don't you think that at this time you should come up with a more comprehensive text in the nature of an essay?

[Kusy] This is a selection of radio programs written for Free Europe. It is journalism reacting to the day's events and therefore has this character. My analytical writings are in other materials. The Archa publishing house is to issue a book in which I offer a deeper analysis of the past and look for a wide context. If I have the time I will return to this topic and treat it from today's point of view.

## HUNGARY

### Pozsgay on Presidential Elections, Constitutional Amendments

25000748A Budapest *MAGYAR HIRLAP* in Hungarian  
2 Jun 90 p 3

[Interview with Imre Pozsgay by Zoltan Lovas; place and date not given: "Pozsgay's Response to Tolgyessy; Will the Big Guns Be Fired?"]

[Text] In the Wednesday [30 May] issue of our newspaper, Peter Tolgyessy, the parliamentary faction leader of the Free Democrats [Alliance of Free Democrats—SZDSZ], replied to a statement made by Imre Pozsgay, leader of the Socialist [Hungarian Socialist Party—MSZP] faction, a few days ago. Now the Socialist politician responds once again.

[Pozsgay] I regard Tolgyessy's response as appropriate, adding that he is arguing with me about his party's point of view. Obviously there are misunderstandings between the two of us, because I did not say that the Socialist Party's viewpoint has not changed in regard to certain matters. For example: Peter Tolgyessy is undoubtedly correct when he says that they did not sign the 18 September agreement at the conclusion of the political conciliation talks, while we did sign the agreement. And that statement included the fact that the president of the republic would be elected by way of secret balloting in general elections, if such elections take place prior to the free elections. But—we made no secret of this at the time, and we have not since then—we regarded this provision as a necessity, and we agreed to it in the interest of the success of the negotiations. But the results of the negotiations were crossed out by the popular referendum because the initiators of the popular referendum wanted to establish an appropriate situation in Parliament as a result of negotiations and by way of a method outside of Parliament. They accomplished that. Thereafter we were no longer bound by the 18 September agreement. Thus we may return to our original viewpoint which reflects our beliefs, to the idea that the president of the republic should be elected by the people in direct, secret, general elections. Accordingly, we did not change our position in principle, and we were not the ones who discontinued the agreement. The Socialist Party will represent this view even if it does not run a candidate for the presidency.

[Lovas] This is the situation; are you not going to run a candidate?

[Pozsgay] I do not know. The congress made no decision in this regard. We took positions only with respect to issues of principle; personal matters were not discussed.

[Lovas] Mr. Tolgyessy's reply had yet another aspect, the one on amending and patchwork....

[Pozsgay] ...this involves the framing of the constitution. I regard the constant reference to a Stalinist constitution as having a propaganda flavor. In this case Mr. Tolgyessy is denying the work he himself created. After all, the constitution now in force includes his contribution. The adjective "Stalinist" is the most important argument against the present constitution and for making further changes. But this constitution is functional at present; after the amendments made during the past weeks it is suitable for enabling the beginning of governance after the free elections.

[Lovas] This is precisely the issue between the two of you, because Tolgyessy said that a few provisions of today's constitution must be changed, because as it stands today the constitution is not functional. Corrections are needed to permit the start of the development of a new constitution.

[Pozsgay] Tolgyessy's arguments serve the purpose of implementing changes consistent with the goals that were agreed upon in the [MDF [Hungarian Democratic

Forum]-SZDSZ] pact. But the particulars of the list which enumerates the constitutional amendments even goes beyond this! At present they want to make changes in 76 sections of 51 articles of the constitution. This almost amounts to more than framing a constitution. Some countries' constitutions have fewer than 51 articles, after all!

[Lovas] As I understand this matter, there are so many changes necessary in order to render the amending process precise and accurate. Only the number of amendments is great, not the substantive issues. A few substantive issues affect the constitution at several points. That is why the list is so long. Accordingly, from a substantive standpoint the number of amendments would not be that great....

[Pozsgay] Yes, but it has a rather pervasive effect on legislation, a hurried, harassed constitutional amending process has incalculable effects. Could the threads of these be tacked away?

[Lovas] Why does this matter arise as a concern exactly at this point? This has been going on for the past two years. The transfer of power has come about in a great hurry.

[Pozsgay] Political constraints have taken us into this during the past two years. This kind of constraint no longer exists. The systems change is complete.

[Lovas] The MDF-SZDSZ agreement—pact, as you call it—was justified by the simple fact that the country must be rendered governable, and that the government would be unable to effectively function with a constitution which lacks these amendments....

[Pozsgay] But did they ask the rest of the parties whether they would place obstacles in the way of governance? No such question was asked either in Parliament or in the course of negotiations among the parties. In contrast, the two large parties consummated a pact, on the basis of which they will enforce their own point of view by all means in regard to laws having the force of the constitution, the adoption of which requires a two-thirds majority vote. Whereas it is possible that governability could also have been achieved within the political bargaining process, without the two parties expropriating the opportunity to decide.

[Lovas] According to Mr. Tolgyessy, all issues are still open in Parliament. This is only a proposal. It is yet another matter whether or not representatives of the two parties will support this.

[Pozsgay] I accept the statement that all issues are open. He is entirely correct in this regard from the standpoint of public law. But these issues are not open from a political standpoint, because an agreement between powers has been reached. I suspect that both factions will decide in this regard pursuant to the appropriate requirements of discipline. After all, this matter is vital from the standpoint of the coherence of a faction. Can you

imagine a situation in which the two parties agree, let's say in regard to laws requiring approval by a two-thirds majority, while the members of the two party factions decide freely, according to their own judgment?

[Lovas] Not in this case, but otherwise a situation like this is conceivable quite soon.... That the faction discipline will go bankrupt, that is.

[Pozsgay] I can also imagine that this will happen. But if this happened here, in this case, these parties will cease to exist, in my view.

[Lovas] That would be some anarchy....

[Pozsgay] I do not want this to happen. God forbid! All I'm saying is that the pact parties created a constrained situation for themselves. This is a constrained course.

[Lovas] You and the rest of the star politicians of the MSZP have not spoken much thus far in the new Parliament. Hasn't the time come to slowly deploy the "big guns"?

[Pozsgay] The framing of the constitution will be such an occasion....

#### **State Accounting Office: Authority, Organization, Scope Detailed**

*90CH0209A Budapest PENZUGYI SZEMLE  
in Hungarian Feb 90 pp 153-157*

[Interview with Dr. Istvan Hagelmayer, chairman of the State Accounting Office, and Dr. Andras Gyarmati, main division head, by Adam Toth; place and date not given: "After Forty Years, the State Accounting Office Is in Place Again"—first two paragraphs are PENZUGYI SZEMLE introduction]

[Text] After an interruption of four decades, the State Accounting Office, Hungary's supreme state budget control office, resumed its work on 1 January.

Dr. Istvan Hagelmayer, chairman of the State Accounting Office, graduated from the University of Economic Sciences in Budapest in 1957 and then began teaching in the university's department of finance. In 1963 he defended his doctoral dissertation which dealt with general questions of finance theory. Later he focused his scholarly work on problems of the banking system and published several articles on this subject, repeatedly eliciting heated debates from experts at the time. Beginning in 1975 he became active as director of the Financial Research Institute, and since 1987 he has again been a professor at the University of Economic Sciences. On 31 October 1989 the National Assembly elected him chairman of the State Accounting Office. This outline of his career also indicates that his varied theoretical and practical activity is, by all means, an adequate reference for filling this high office.

[Begin interview] [Toth] Mr. Chairman, what made the "resurrection" of the State Accounting Office possible after so many years?

[Hagelmayer] The earlier political and social situation has fundamentally changed. We have taken the road to a constitutionality that is now being defined; this is also proven by the fact that the means of realistically assessing and evaluating the tasks related to state budget management, and exerting control over state assets, are now guaranteed by law.

We all know that these possibilities of control and evaluation at the highest level, independent of the given government, were hardly natural or implementable earlier, for the social and political conditions (e.g., true parliamentary democracy) which would have guaranteed the sovereign functioning of such an institution were entirely nonexistent until the last year or two.

Establishing such an important and fundamental institution in Hungary has become realistic only now, very late, at a time when there is every indication that the ideal and the practice of a constitutional state and a multiparty system are beginning to be realized.

[Toth] Were there any earlier initiatives to establish an Accounting Office?

[Hagelmayer] A few experts with foresight and a clear vision of the possibilities in Hungary's economic situation raised this idea in previous years, but, in the midst of those circumstances, their concepts actually proved impossible to implement. Then in 1968, at the time when the economic reform was launched, academician Jozsef Bognar and a few years later professor Kalman Szabo also raised the idea of establishing the Accounting Office, but, in the situation of that time, under the monolithic power structure and within the framework of the single-party system, their idea did not enjoy undivided success.

In Hungary, the State Accounting Office can fully live up to its real task only if the conditions for constitutionality, in which the National Assembly can oversee the government, can develop.

As far as I am concerned, I believe that our country's economic and social development is progressing in this direction. [end interview]

My questions related to the of the organizational structure and concrete tasks of the State Accounting Office were answered by Dr. Istvan Gyarmati, head of the chairman's main division. He has a Ph.D. in law, has previously worked in several state administration offices, and, most recently, was active in the Ministry of Finance. For the past two years, as part of the work involving budget reform, he has been dealing with drafting laws and a concept for regulating the Accounting Office, and he took part in the preparatory work of the committee which shouldered the task of organizing the Accounting Office.

[Begin interview] [Toth] What were the events that led to the establishment of the State Accounting Office?

[Gyarmati] The statute dealing with this institution, passed on 30 October 1989 by the National Assembly, was preceded by intensive preparatory committee work between the October and December 1989 sessions of the National Assembly, under the direction of Dr. Sandor Puskas, delegate and chairman of the Planning and Budget Committee. As we had no concrete experience, we developed an initial "ideologistic" [as published] basic system of organization which will no doubt be modified in time as experience is gained.

[Toth] What is the internal structure of the Accounting Office like?

[Gyarmati] The Accounting Office is headed by the chairman, assisted by two deputy chairmen. The institution has five main divisions. The reason they are called divisions instead of departments is that we wanted to deviate from the traditional, classic, and hierarchical ministerial models. A greater changeability and flexibility is possible through these main divisions, for each one endeavors to encompass a wider scope of tasks. If warranted by a given situation, it is possible for the staff to introduce major changes within these divisions.

The experts in the Chairman's Main Division deal with all general tasks, most of which can also be found in other organizations—e.g., with personnel, labor, legal, management, and business issues. The Chapter Main Division, as its name suggests, is responsible for examining the budget's so-called chapters, i.e., the ministries and other organizations with nationwide authority, while the activity of the Treasury Management Main Division is centered on management issues involving state assets and the treasury fund and on cases of asset protection, in addition to dealing with the parties' business and legal supervision.

The Regional Main Division oversees the counties and local autonomies, whereas the Theoretical Analysis and International Main Division creates and maintains an information base for the entire organization, and prepares more extensive summary analyses and plans.

[Toth] How large is the staff of the State Accounting Office?

[Gyarmati] A total of 300 people will work here, 100 of them in administrative and support areas, and 200 in actual supervisory work. In our opinion, this ratio is not bad—although it is being disputed—for this same ratio is more akin to the 50-50 ratio in similar offices of several capitalist countries. There is no other way for us; we have our given responsibilities and must start from concrete stipulations.

In Hungary, one still faces serious difficulties in running an institution; the adequate infrastructure is missing and the performance of the available "forces" is not always ideal. Getting back to our organization as a whole, we

believe ours is adapted to its tasks although it is certain that, in time, larger or smaller reorganizations will become necessary. Since our work includes the entire country, of course, in addition to our central office there will also be regional centers in five large cities (in Gyor, Pecs, Szeged, Miskolc, and, of course, Budapest), staffed by small groups of four to five persons, and we will also have a representative in every county seat.

[Toth] In establishing your institution, did you rely on the example of the one-time Accounting Office or on the present experiences of similar institutions in the individual West European countries?

[Gyarmati] That is a justified question, since the Accounting Office did exist in Hungary from 1870 all the way to 1949, under quite different political and social conditions, of course, and with a decisively different supervisory structure. Consequently, it differed significantly from the present one in its nature, practice, and organizational structure. Thus, for instance, it had several units (placed in ministries and municipal authorities) in addition to its central base, which made it possible for the Accounting Office to encompass the country's entire state administration. It also had a larger staff and more diverse duties; excellent proof of this is that at that time the final accounts of the implementation of the preceding year's state budget were prepared by the Accounting Office itself, while our job is limited "solely" to evaluation.

There are, of course, parts that are worth "salvaging" too. It is also certain that it was a very-high-caliber, respected institution in its own time, worthy of our emulation.

With regard to the examples abroad, we have seen interesting things in our West German and Austrian counterparts, among others. Although the social and administrative-political structure of these countries is entirely different, it is striking that the FRG's Accounting Office has much more modest responsibilities. Incidentally, this institution is a truly "broken-in" firm with a 250-year background and a large staff. In evaluating the budget proposal, they cover only about five percent of it—if the whole proposal is taken as 100 percent. For, as they said, they base their evaluations exclusively on concrete supervisory experiences, therefore, they evaluate only subjects on which they have real and concrete data.

As far as our own situation in Hungary is concerned, it would not hurt to seriously consider the German example, for there is a great need for the Accounting Office's activity—but it seems as though it must live up to overinflated expectations.

[Toth] What is your work load like? Would you mention a few of the current topics?

[Gyarmati] The increased need for our work is well illustrated by the fact that since we were founded last October we have been assigned four urgent, legally



prescribed tasks already, although at that time the Accounting Office existed only in theory. Our most urgent job at that time was in connection with inspecting the MSZMP's [Hungarian Socialist Workers Party] assets. We were pressed for time, since the examination of the legal transfer of the MSZMP's assets had to be completed by 31 January of this year.

After March, following the elections, we will begin to look into the use of the election budget which, simply put, means that we must determine that the parties used the monies at their disposal legally during their campaigns. According to party law, we must supervise the legality of the parties' finances annually; there are many parties—and no doubt there will be even more—so we have a lot of work.

But here I will also mention our supervisory work in connection with the councils. For, according to the budget law, councils are financed on the basis of various norms, and our job is to examine whether these local autonomies are using their monies in a legal and purposeful manner.

But our first real accounting job will be the evaluation of the preceding year's national budget: We do not have much time left for this either, for we have only a short six-month period to do the auditing, on the basis of which we can then, in good faith, enclose our report with the government report. This job also includes "sticky" things such as auditing the finances of the ministries and other high authorities. For example, the Ministry of Industry and the Social Security Fund are going to be under our "microscope."

[Toth] The Central People's Control Committee [CPCC] has been abolished; one of its main jobs was to investigate citizens's small complaints. Will you be taking over the CPCC's remaining cases as well?

[Gyarmati] The Accounting Office is not the CPCC's legal successor, and so we cannot deal with citizens' complaints which were originally under the CPCC's jurisdiction. They are now under the jurisdiction of two forums or organizations, namely, the Prosecutor's Office and the Reporting Office of the Council of Ministers, but I think that these two offices will not be able to adequately replace the old supervision.

For this reason, it would be a mistake to simply ignore the citizens' complaints that reach us, but we will have to be selective at any rate. We will deal adequately with the more serious cases related to our responsibilities as specified by law—or will call the government's attention to take urgent measures. But we will also reply to other solicitations, at least offering addresses where the complainants can turn with assurance.

[Toth] In closing, it should be expected that an independent institution of this kind with serious responsibilities and general authority over financial-economic supervision should be completely committed to impartiality and objectivity....

[Hagelmayer] Exactly. The State Accounting Office is devoid of politics, it is an institution that relies on professional expertise and is objective in expressing its opinion. Of course, this goal presumes the nonegligible ethical criteria of the conduct and work of the staff.

Ethics is the basis of our activity and, perhaps I do not even have to mention that, expressed in extremes, not even a hint of corruption—or corruptibility—may be present here. So, it is absolutely unthinkable for any one of us to make a subjective or party-leaning judgment on a certain professionally related assignment. By the same token, this organization may not become the scene of party skirmishes, although everyone, as a private citizen—and outside the workplace, of course—has the right to be involved in politics.

The State Accounting Office is a national institution that stands above parties, and anyone in conflict with the party law and the laws regulating the Accounting Office will have to be dismissed. The law also says that those who work here may not accept any other job, the pay here is consistent with earnings [as published], therefore we try to pay higher-than-average salaries. I am confident that the principles to be enforced here will contribute to the improvement of society's moral situation.

[Toth] I thank both of you for this conversation.

## POLAND

### POLITYKA Weekly News Roundup

90EP0679A Warsaw POLITYKA in Polish No 25,  
23 Jun 90 p 2

[Excerpts]

#### National News

[passage omitted] In Lodz, the Citizens' Coalition for Democracy and Pluralism has been formed. The program declaration says, among other things: "We applaud Walesa's declaration announcing his readiness to seek the presidency"; "the conflict between the right and the left is today the basic political dispute; in this dispute, the Lodz Coalition is on the side of the traditional, universal Catholic values"; "we support the striving of Lech Walesa to remove the Solidarity symbol from GAZETA WYBORCZA, a private paper, expressing leftist political views"; "we protest the transfer of ZYCIE WARSZAWY into the hands of individuals with leftist political views, and we demand it be transferred to people with Christian Democratic views." Among the participants were the following deputies of the Citizens' Parliamentary Club, Andrzej Kern, Jan Lopuszanski, Stefan Niesiolowski, Bogdan Osinski, the head of Lodz Solidarity Andrzej Slowik, the president of Lodz Grzegorz Palka, and several dozen representatives of citizens' committees from all over Poland. [passage omitted]

The plenary conference of the Polish Episcopate met in Krakow. The communique after the deliberations says,

among other things: "The Episcopate presented the plans for the program for the Fourth Pilgrimage of the Holy Father to Poland in June 1991. The program lists the following cities: Koszalin, Rzeszow, Lubaczow, Kielce, Radom, Lomza, Bialystok, Olsztyn, Wloclawek, Plock, Warsaw." "The new political and economic situation, in which Poland now finds itself, requires a new look at strikes as a means of struggle. Although the social teachings of the Church recognize it as a permissible means of struggle, they nevertheless treat it as a means of last resort. A strike is a peculiar type of ultimatum and can be used only after exhausting all other ways of resolving disputes and workers' claims. A strike cannot be exploited, especially for political purposes." "The Polish bishops, responsible for teaching the faith, confirm their desire to return religious instruction to Polish schools, seeing in this the fulfillment of their calling and their duty to God, Church, and the nation."

**Protests and Strikes.** In Slupsk, with Lech Walesa's participation, a communique was prepared and signed that closes a phase in the conflict on the railways. The protest committee of the railway workers adopted a raise of 180,000 zloty a month and are demanding that the amount be included in the basic wage. The deadline for agreeing on the issue is the end of August. The roads in the area of Mlawa, including the international route E-7 from the south to the north, have been blocked by farmers who are protesting against the halt in payments for milk by the cooperative in Mlawa. They are demanding a price increase (550 zloty instead of 200 zloty) and a guarantee that milk will be purchased without limits and without evaluations of its quality. The government has decided that the forces of order will take the actions foreseen by the law in order to unblock the roads. The leader of the prevention unit of the police, Major Leszek Maj, obtained a suspension of the protest, and after talks with Lech Walesa, the protesting farmers agreed to continue negotiations without blocking the roads. In Sandomierz, an all-Polish farmers' protest committee, which has announced that "in conjunction with the antifarmer agricultural policy pursued by the government" on 27 June it will blockade the building of the Ministry of Agriculture and the Food Industry; it also called on farmers to continue withholding the first and second installments of their retirement contributions. In Warsaw, the retail-trade workers struck briefly to protest against the current practice of privatizing the stores.

The leadership of the Polish Peasant Party protested against the authorities' use of police to break blockades of the roads. These conflicts should, in the opinion of the Peasant Party, be resolved with political methods.

Solidarity '80 has reported a protest to the ILO on account of difficulties encountered in registering the union, and the Federation of Miners' Trade Unions has filed a complaint against the government for not observing the law in resolving collective disputes.

Malgorzata Niezabitowska, government spokesperson, at a press conference. On the Krakow meeting of intellectuals: "The attitude of the government to the Krakow meeting, an attempt to form a group supporting the government, is positive, good"; concerning the "acceleration" slogan: "The government is also for acceleration. But it is necessary when putting forward such a slogan to say what the acceleration is to affect and how the individual proposing it sees it. So far, the Centrum group has proposed an acceleration of the presidential elections. There are no concrete proposals for acceleration, for example, of economic issues." M. Niezabitowska emphasized that "neither the premier, nor the government feel they have a conflict with Lech Walesa."

The fates of private enterprises during the first five months of 1990 were described at the above-mentioned press conference by Marek Dabrowski: during the period, more than 53,000 private enterprises were liquidated, including 33,000 small manufacturers, 6,000 retail shops, and 14,000 service outlets. Simultaneously, 76,000 suspended operations (39,000 small manufacturers, 7,000 retailers, 29,000 services outlets). More than 130,000 new enterprises were formed, including 43,000 small manufacturers, 22,000 service outlets, and 64,000 retail shops.

The deputies on the Commission for Economic Policy criticized the government's economic efforts. Deputy Ryszard Bugaj recalled that the Sejm has required the government to meet certain rigors: during the year the national income should not fall more than 3 percent; production, 5 percent; and the people's real incomes, not more than 25 percent. Meanwhile, as the deputies were told, in April and May 1990, production was about 30 percent lower than in 1989; real incomes were 37 percent lower for workers, 34 percent lower for farmers, and 30 percent lower for retirees and pensioners. According to predictions by the Central Planning Office by the end of 1990, industrial production sold will decline by 25 percent, and farm production sold by 8 percent; national income produced will fall by 20 percent; real incomes will fall by 32-34 percent. In order to meet the planned declines of 15-20 percent, the average wage should be 1.08 million zloty, but given current principles of indexation, it will not exceed 900,000 zloty before the end of the year. The government anticipated that unemployment will reach 400,000, but it has already passed 440,000 individuals, and according to the prediction of the Central Planning Office, it will reach 1.3 million or more than 10 percent of those employed.

The candidate of the Citizens' Committee, Jerzy Kloczkowski, an historian and professor at the Catholic University in Lublin, won in the second round of the elections in the Lublin region. He received 51 percent of the valid votes. His opponent, Roman Wierzbicki, nominated by the Christian Peasant-Nationalist Coalition, received 48 percent. Interest in the election was slight, 13 percent of the voters cast ballots; the winner had 2,615 more votes.

Reports from TRYBUNA. Prices of apartments: in Lodz, a two-room apartment (23 square meters [ $m^2$ ]), 50 million zloty; a four-room one (58  $m^2$ ), 120 million zloty. In Warsaw, a two-room apartment (19  $m^2$ ), 60 million zloty; a four-room one (63  $m^2$ —with amenities), 190 million zloty. A row house or part of a duplex (110  $m^2$ , garage, yard), \$120,000.

The head of the Office for Special and Exceptional Retirements at the Social Security Agency, Krystyna Nowacka, in an interview for SLOWO POWSZECHNE about retirements for former prominent individuals. There are 1,250 individuals of the former state and party leadership (out of 7 million retirements paid by the Social Security Agency) who receive such benefits. The highest prominent retirement was about 2.5 million zloty. Normal retirements are sometimes much higher. About 250 retirees from the prominent list who have not reached retirement age (age 65 for men, 60 for women) will receive the lowest retirement or about 301,000 zloty until they reach retirement age. [passage omitted]

Jozef Slisz, chairman of the Polish Peasant Party Solidarity, has announced that at its November congress his party will probably take the name of Peasant-Democratic Front. "The other Polish Peasant Parties look at us askance, and Lech Walesa asked us to remove the word Solidarity from the name." [passage omitted]

Two ambassadors—one to the FRG, the other to the GDR—were accepted by the commission for foreign affairs of the parliament. Wojciech Wiecek, a journalist, editor in chief of WIEZ (1981-89), an activist of the Club of Catholic Intellectuals and Solidarity, will go to the GDR. Janusz Reiter, a journalist, PRZEGLAD KATOLICKI and GAZETA WYBORCZA, will go to the FRG. Both deal with German relations.

(In the previous issue, we mistakenly reported that Lech Kaczynski participated in the television program Interpellations. Obviously, it was Jaroslaw Kaczynski. Please, excuse us.)

### Opinions

*Dr. Sergiusz Kowalski, sociologist:*

(Interviewed by Ryszard Socha, DZIENNIK BALTYCKI 25 May 1990)

[Question] Not without reason there is a dispute over the rights to the Solidarity legend, the symbol, and the heritage. Who deserves that heritage?

[Answer] The emblem of Solidarity is a powerful political instrument. The comparison with the Olympic torch seems appropriate. If someone organizes the Olympic games, he must have a certain metaphysical sanction. And so, messengers run thousands of kilometers with fire from Greece, the birthplace of the Olympics. Similarly with Solidarity. Its full legal holder is the Trade Union Solidarity, its holy place Gdansk, the guardian of the torch, its chairman Lech Walesa. That is probably a

lifelong assignment. Walesa can do nearly anything in Poland. He anointed Premier Tadeusz Mazowiecki and practically won last year's elections. He is an excellent personification of the Solidarity myth.

*Wojciech Jaruzelski, president of the Republic of Poland:*

(From an unauthorized version of comments during a meeting with the residents of Ostrow Mazowiecki, WSPOLNOTA 2 June 1990)

"How do I imagine communism? Communism is more a philosophical idea than a real one. A beautiful idea that assumes, for example, to each according to his needs, is as life has shown only a utopia, at least at this stage in history. Moreover, an implementation that even resorted to crimes shows that it was not communism."

*Prof. Dr. Andrzej Stelmachowski, Senate marshal:*

(Interviewed by Irena School, GLOS SZCZECINSKI 13-14 June 1990)

[Answer] To be sure, the decisions of the roundtable to a large degree have lost their force since the results of the parliamentary elections turned out to be a greater political shock than expected. The dynamics of the changes significantly outstripped the decisions of the roundtable.

However, a certain core has stood up never elaborated precisely or put specifically into words. In particular, what happened then was at its deepest level an agreement between Solidarity and the military. And that expressly unnamed, but essential, pact continues. I do not know how historians will judge the entire mechanism of those events. Personally, however, that how I see the essence of the changes in 1989.

*Ryszard Kaczorowski, president of the emigree government:*

(Interviewed by Konrad Zbrozek, OPINIA 7 June 1990)

[Question] Would you take on the obligations of president in Warsaw?

[Answer] In asking that question you realize that it is purely theoretical and even, one can say, fantastic. My response would be of the same kind. I think that it is better not to answer the question. As yet, no one has made such a proposal to me, and in that situation, I do not see how it could be done.

*Ryszard Reiff, senator, president of the Union of Siberians:*

(Interviewed by Danuta Mystkowska, KONTAKTY 17 June 1990)

[Answer] Already in January 1989, at the inaugural meeting of the Union of Siberians, I made a proposal concerning this matter. I proposed to make a one-time annulment of the debt of the Polish state to the Soviet government, which at that time was 6.5 billion rubles and \$1.5 billion.

[Question] Yes, but what do the Siberians get out of this?

[Answer] With the annulment of the debt of the Polish government, instead of paying the Soviet Union, the large sums would be distributed among those people. In this manner, the Polish government would take the duty of benefits upon itself.

## YUGOSLAVIA

### **Knin Serbs Protest Ustasha-Type Uniform, Name for Police**

90BA0209A Belgrade POLITIKA in Serbo-Croatian  
5 Jul 90 p 5

[Open letter from Serbian militiamen in Knin to the federal secretary for internal affairs: "We Do Not Want Uniforms Like the Ustasha Ones"]

[Text] Our editorial office received a letter from the employees of the SJS [Public Security Station] in Knin, which says:

"We request that you publish this open letter sent by us militia employees in Knin to the Federal Secretary.

"In this way, we want to inform the public at large, as well as the federal secretary, to whom we are addressing the letter, about our position on what we think is a crucial moment for the survival of the fatherland.

"We are sending the letter to POLITIKA, our most widely read newspaper, and at the same time we have the highest confidence in you that you will publish it.

"Esteemed editors, we are leaving it up to you to determine the title for the letter in the newspaper, and we give you permission to submit it to other editorial offices as well, and we would particularly appreciate it if you would submit it to editorial offices in the Croatian Socialist Republic. We are also sending you, appended, the signatures of the employees of the Knin militia.

"Our comradely regards."

We are publishing the letter from the employees of the Knin SJS in its entirety.

[Text of letter] "Comrade Federal Secretary,

"We, the employees of the Knin SFS, the former KNIN OSUP [District Secretariat for Internal Affairs], are writing this open letter to you because many things are unclear in these tumultuous times.

"In the first place, it is not clear to us, Comrade Secretary, whether you, with your position and the Federal Secretariat for Internal Affairs, still exist, and if you do exist, whether you retain any jurisdiction whatsoever to act throughout the entire territory of the SFRY!

### **Questions Justifiably Asked**

"We are justified in asking these questions, because how else can one interpret the fact that you are still passively observing what is happening to us, the militia employees of Serbian nationality in Croatia.

"You have allowed the new extremist government of Croatia to "remove" us from our positions because of our Serbian nationality, as if it were the most normal thing. That new government, which vowed democracy, has already demonstrated at the very beginning of its work, its democracy toward us, the militia employees of Serbian nationality.

"If you do not already know this, we are being offered things that can only be accepted by an idiot, or by a person who does not have a position, character, or a minimum of pride. That offer consists of changing the uniform, from which the symbols with socialist insignia are being removed, and which is apparently being associated through its new insignia with the uniform worn by the soldiers (Ustashe) of the former NDH [Independent State of Croatia].

"In the words of the head of the new Croatian government, we are being offered the "traditional" name of the "constabulary," while the "militia" is being abolished.

"We are well aware, and we hope that you are too, Comrade Secretary, that that "traditional" name of theirs was used only during the time of the notorious NDH state.

### **Disturbing Statements by the Deputy**

"We are also disturbed by the statements of your deputies, such as Comrade Jovan Vuckovic, who, on the "Ask the Federal Executive Council" television broadcast on 22 June 1990, in front of an audience of a million people, answered a question about views on the name "constabulary" by saying that it was not important what the service was called—militia, police, or constabulary, but rather what work it performed.

"In our opinion, it would have been much more useful if the comrade in question had not appeared, or if you had given him another task, because the kind of answer he gave on that subject suits a person who has come from another planet, or else at least an ignorant one, because how can one understand that a person in that position does not know that 700,000 innocent Serbs, Jews, and patriotic Croats were slaughtered by what was called a constabulary?

"If the new government supports democracy and seeks changes, then why doesn't it look at the rest of the world and offer us the acceptable name "police," and offer acceptable symbols, and not the constabulary and insignia that are unacceptable to us?

"We are certainly not conservative, and we accept any progressive idea, but we cannot accept something that

kills pride and dignity in us, and will make our fathers and grandfathers turn over in their graves because of our betrayal.

#### **Many Things Are Being Forgotten**

"Many things are being forgotten, such as the fact that this people in the Knin region has always had its own pride and dignity, that in terms of the number of inhabitants it was the first one in the SFRY in providing fighters for this Yugoslavia, and that there are many who left their bones on the legendary battlefields of Sutjeska, Neretva, and throughout the country, for the welfare of us who remain.

"We, the militia employees of Serbian nationality, are part of that proud people and the fighters who perished for freedom. We will consider it the greatest betrayal of our people if we accept the insignia offered and the name of "constabulary" instead of "militia."

"We hope that the militia employees of Croatian nationality also think this way, and that they will show solidarity with us, because we would certainly fight against the evil called the Chetniks, and so we believe that they are also bothered by pro-Ustasha ideas and that they will fight against them.

"Try to do something, Comrade Secretary, if you exist, and if you have the power, because tomorrow it may already be too late.

"In this way, we wish to inform the people of the Knin region that we are not traitors to our people, that we remain their national militia, and that we will not accept, at any cost, the name "constabulary" and a uniform with degrading insignia, that we will fight until our last breath for their sovereignty, and that we expect full moral assistance from them, and if necessary, other support as well."

[Editor's comment] The signatures of the militia employees of the Knin SJS follow.



## POLAND

### War Games Discussed, 3 Main Defense Goals Outlined

90EP0658A Warsaw ZOLNIERZ  
RZECZYPOSPOLITEJ in Polish 29 May 90 p 6

[Article by Kazimierz Compa: "Needs and Possibilities"]

[Text] Every military doctrine expresses not only the general political-military conceptions of the state; it also defines the directions of preparation of the armed forces for possible war. The range of training, orientation, and technical equipment of the armed forces are a reflection of the defensive or offensive-aggressive character of the military doctrine.

The defense doctrine of the RP [Polish Republic] rather explicitly delineates the directions of preparation and training of the armed forces as a whole and in their varieties. Taking into consideration the geopolitical situation and the character of the threat to the country, it distinguishes three basic planes of preparation of the armed forces.

The first of these is the assurance of the efficiency of the country's air defense. This task is realized, among other ways, through proper combat training and combat-technical training and the simulation of operations of rocket, air, antiaircraft artillery units and radio engineering units. The effect of training should be the attainment of high efficiency in the detection, tracking, and destruction of various means of air attack, including self-guided missiles.

Second is the preparation of commanders and troops for the organization and execution of active defense on the country's terrain, both independently and in the alliance pact. Training problems include the enlargement of fortifications in defense regions, the construction of engineering obstacles and territorial hindrances, and the organization of a strong system of fire. Special attention is being drawn to the preparation of an effective antiaircraft, antitank, and anti-landing-party defense. The acquisition of this expertise by the command and troops makes them capable of smashing the attack of enemy mechanized armor groupings and of effectively fighting the enemy air force, combat helicopters, and landing units.

Third is the preparation of the troops to defend the sea coast. As is generally known, our sea coast is open, which exposes it to landings by sea, air, and diversionary groups. The tasks resulting from this require the coordinated training of land, air, and naval forces, chiefly in the execution of anti-landing-party operations. Training problems connected to this include the coordination of the actions of troops while fighting the enemy at distant approaches and during the combat for the direct control of the sea coast.

The detailed thematic of command and troop training results from the principles embodied in the combat regulations, the provisions of which conform to the resolutions of the defense doctrine. The regulations treat defense as a basic type of combat. The fundamental effectiveness of defense is its continuity and activity, because the strength of defense does not depend only on its capability of repelling or smashing an enemy attack, but also on the destruction of its strength in the event that it pushes into the depths of our territory. These tasks demand the execution of aggressive maneuvers by the reserves and secondary groups in the form of counterattacks and counterstrikes. The regulations therefore also recommend that offensive operations be conducted, but with such force and to such a depth as are necessary to destroy the enemy and regain lost, defensive regions or our own territory. Attack is thus treated as a constituent part of defense and subordinate to the attainment of its goals.

The regulations do not provide for the transfer of combat operations to enemy territory.

These problems find their reflection in all training operations, and they were, for example, examined in the "OPAL-87" and "ORION-89" army exercises, which were observed by representatives of the participant countries of the Stockholm Conference, and also in the allied "TARCZA-88" exercise.

War games, command-staff exercises, and troop exercises are so constructed as to create the opportunity to improve the commanders and troops in the broadly understood set of problems surrounding the organization and performance of operations and defense activities. Special attention is being paid to the complex use of the troops' maneuvering capabilities and the firepower of all types of weaponry.

The methods of training commanders and troops are chosen in such a way as to reconcile the attainment of the stated training goals with the rational exploitation of the material means possessed. In this regard, among others, we are not organizing exercises characterized by great force and the participation of a large number of troops. In the exercises with troops, we are not trespassing beyond the region of the exercise fields and the roads between them, so as not to cause any damage to agriculture. The basic levels on which we are conducting combat training are those of the company and the battalion.

The general directions and problems of training, to which attention has been drawn, make up a portion of the tasks, which include the preparation of the armed forces for the execution of defense activities according to the requirements of defense doctrine. The needs in the area of the armed forces' continuous improvement with respect to generally limited and modest material resources demand a continuous search for new, rational ways and methods of training commanders and troops.

## New Center Created To Deal With Chemical, Radioactive Disasters

90EP0660A Warsaw ZOLNIERZ

RZECZYPOSPOLITEJ in Polish 30 May 90 p 4

[Interview with Colonel Stanislaw Tomon, director of the National Civil Defense Center for Contamination Analysis by Magdalena Prochnicka; place and date not given: "To Forestall the Effects of an Accident"]

[Text] [Prochnicka] The KOAS [National Center for Contamination Analysis] is a new agency; it has only been operating for two years. Can one say that it is fulfilling its task in full and that we—that is, society—can sleep peacefully and safely in the conviction that in a case of extraordinary danger the KOAS is watching?

[Tomon] Unfortunately, one can not yet say that. We have already done much, but an equally large portion of the work lies before us. In order to understand how extensive our area of activity is, one must remember that before the resolution of the Council of Ministers on civil defense (in which, among other things, the necessity of appointing such a center was noted) was issued in 1983, a complete lack of concern reigned in our country when it came to the problem of extraordinary dangers. Quite simply, no one saw the need to create an agency that would collect data on extraordinary dangers, conduct an evaluation of the existing situation, and also formulate conclusions and propositions concerning rescue actions. And precisely those are the most important tasks of the KOAS.

[Prochnicka] What sort of dangers do you concern yourselves with?

[Tomon] We want to concern ourselves with all extraordinary threats to people and the environment, that is to say, radioactive and chemical contamination, biological infections (in other words, epidemics and epizootic diseases), catastrophic drownings, and so forth. The conclusions of our analysis and the evaluation of the situation afterward form the basis for choosing methods of protecting the population and the environment. The conclusions and propositions in this area are communicated to the central organs of the state administration and to the leadership of the nation's civil defense. Our cooperation with the staff of the OCK [National Civil Defense] is close: currently, our specialists are on 24-hour call there.

Time is an unusually important factor in our activities. It delineates the center's philosophy of work. Realizing the importance of the problem, we decided on wide-ranging computerization for the center.

[Prochnicka] Of the tasks performed by the center, which do you think are the most important from society's point of view?

[Tomon] I believe that there are two particularly essential tasks. First of all, there is our development of

forecasting methods, which allow damage-control activities to be undertaken. For example, if we receive information about a nuclear accident today in, for example, the GDR, we will be able to tell where and when contamination will take place, the degree of danger, what areas of Poland will be affected, and so forth—all based on the parameters of the source of the danger, full methodological data, and the systems we have developed. Information of this type allows us to undertake forestalling activities. The accident at Chernobyl proved that a lack of forecasting methods compels, during the accident, activities post factum, when people have already been irradiated. We therefore aspire to create a system in which the forecasting methods are credible and quick.

And the second important sphere of our activity is still the analysis of the actual situation when the danger has appeared and been registered by us. It must be said that the system of measuring radioactive contamination in our country is fairly well organized. We have, for example, rather numerous radiation measuring posts: several thousand posts can be put into motion within the framework of civil defense when needed. But this is only to collect data. We are interested in a system—and have nearly finished developing one—of processing this data. It is a matter of quickly defining the danger zone in order to be able to undertake activities to defend the population as quickly as possible. To this end, we are also trying to cooperate with civil defense posts on the terrain. In any case, for example, we are furnishing the voivodships with the computer system we developed to analyze and evaluate the existing situation of chemical and radioactive contamination. We have already sent such systems to 35 voivodships as a tool to aid the organizers of rescue actions.

[Prochnicka] You are speaking of radioactive contamination, but chemical contamination is also dangerous, and it appears much more often than the latter.

[Tomon] The area of dangerous radioactive contamination is very large. However, chemical contamination often has a local character, and its horrible symptoms appear very quickly after an accident. So-called toxic wastes appear in many production plants, often localized in large agglomerations or on their fringes. Many of these industrial installations are becoming dangerously old, and we must expect an increased frequency of accidents. Therefore, we have also worked out in our center the first variant of the database concerning poisonous industrial agents. Thus, we have specifics about where installations in which these agents are applied are located, what the properties of the agents are, what sort of medical and pharmacological help should be applied in case of an accident. To complete the full analysis of the situation in the event of an accident, we need meteorological data very quickly. We currently get this data by traditional methods, which greatly delays the influx of this information. We need strong connections with the Institute for Meteorology and Water Resource Management, which

would ensure immediate access to these data. Unfortunately, our endeavors to get this connection have so far been ineffective, although we have not yet lost hope.

[Prochnicka] But I thought that the KOAS was "cod-dled," and its needs quickly satisfied. Yet this is a question of our safety. If the center's intentions are crowned with success—and the agency has excellent specialists at its disposal—we will all be safer. Unfortunately, extraordinary dangers, evoked by forces of nature or the activity of man, have appeared, are appearing, and will appear. One must know immediately how to save the people and the environment which they threaten. The KOAS is the only institution in our country—which, moreover, fit into one room until recently, but currently occupies, along with computer equipment, an area of 140 square meters—at work in a very wide field for the entire country.

#### **Disarmament Seen Boosting Gray-Market Tank, Arms Sales**

90EP0672A Hamburg DEUTSCHES ALLGEMEINES SONNTAGSBLATT in German 1 Jun 90 p 6

[Article by Andreas Bauer: "Regardless of Who Gets That Stuff": Poland: Because Disarmament in Europe Is Ruining Business for Armorers, They Are Looking for New Customers"]

[Text] Warsaw—"Lasting peace is our goal." Chief engineer Jerzy Neumann smiles self-consciously while we wait at the gatekeeper's cabin for the issuance of my journalist's pass. For years, Neumann hardly noticed the motto on the gate to the main plant of the Bumar-Labedy Combine in Gleiwitz. Today, when the statement in white letters on a red background from the past communist epoch has almost become reality, it is increasingly difficult for him to ignore it.

"Disarmament really caught us by surprise," is how the chief engineer describes the situation. It is not that Neumann would be against a lasting peace or even would want a war. God forbid! But there is no reason for jubilation for the 3,000 workers, engineers and office personnel of the highly modern combine with seven branches scattered over the entire industrial region of Upper Silesia. For Poland's largest arms manufacturer and one of the largest builders of tanks in the Warsaw Pact must fear for its existence for the first time. There are no more than 20 brand new T-72 tanks parked behind the huge production halls. Just a year ago, when no journalist could even think of ever getting through the gate of this until recently strictly secret plant, the yard was so full that, according to Neumann, one "had to pull in his stomach to make his way between the heavy combat vehicles."

The factory, which came into being in 1951, initially produced the battle-proven Soviet T-34 tank from World War II under license and later its successor, the T-54. But it also produced construction machinery and mining

equipment. The demand was always great, says Neumann's assistant Roman Bulik. The people in Bumar-Labedy never had to worry about supply problems, power interruptions and other afflictions that are so typical of a planned economy. The machinery was thoroughly renewed four years ago.

But it has hardly been used for several months now, for Poland's Army is ordering about 60 percent fewer tanks. And the green monsters that it does order are picked up promptly but not paid for. The military is just about out of money. It is also true that, as a result of the general recession and merciless fight against inflation, mines and construction enterprises are also showing little interest in loaders, bulldozers and excavators from Gleiwitz. To be sure, a part of the production capacities are to be maintained with state subsidies in case of war but Bumar-Labedy will have to dismiss hundreds of employees in the coming months if there is no improvement in the backlog of orders.

It is no wonder that Neumann, Bulik and their colleagues from the Polish arms industry are looking around more and more intensively for new export opportunities. "Regardless of who gets that stuff, the main thing is that we earn a lot from it," is the basic theme not only of the managers.

"Many countries deal with weapons, so why should Poland be an exception?" asked the government newspaper RZECZPOSPOLITA recently and greatly lamented the fact that "Poland unfortunately does not have an up-to-date fighter aircraft or self-guiding ground-to-air or ground-to-ground missiles to offer, whereas there are many buyers for this equipment with suitcases full of dollars." "Let us not be merchants of death," countered the respected weekly newspaper PRAWO I ZYCIE in an impassioned article. Suddenly a fierce dispute about arms exports flared up in the country.

Not only the hopeless orders backlog in the arms industry gave impetus to the discussion but also a dangerous incident in the Red Sea. At the beginning of January of this year, Eritrean rebels fired on the tanker "Boleslaw Krzywousty," causing it to catch on fire, and kidnapped its crew for several days. The ship had already unloaded Polish rapid-fire guns, ammunition and grenades for the troops of the Ethiopian dictator Mengistu. Shortly after that, a reporter from the Solidarity newspaper GAZETA WYBORZCA observed how two Ethiopian aircraft were loaded with weapons at the Warsaw airport.

It subsequently became clear what the public had, to be sure, suspected but did not know about in detail: although lagging far behind countries such as China, France, or the FRG, Poland also earns a great deal from the export of transport aircraft, military helicopters, armored personnel carriers, infantry landing craft, anti-tank missiles, handguns, ammunition and other such military equipment. This trade has been handled for 30



years by a secret branch of the Ministry of Foreign Economic Relations with the unrevealing name of Main Administration for Engineering (CZI). Unmasked and found guilty of weapons dealings with Ethiopia, the managers of CZI took the offensive and presented impressive figures at press conferences and in interviews.

As recently as two years ago, accordingly, Poland received \$33 per kilogram of a T-72 tank and \$228 per kilogram of an antitank missile. But it received only \$6.20 per kilogram of a tape recorder and just \$1.75 per kilogram of a Polonez sedan. Just the sale of tanks from the Dumar-Labedy works enriched the national treasury by a total of \$1.5 billion and 2 billion rubles. Unfortunately, according to the managers, export receipts are now shrinking from year to year. In 1986, the country received \$234 million for its armaments, whereas three years later it was just \$73 million. Polish weapons are, to be sure, very reliable but just not up to the latest technological standards.

All in all it is still a worthwhile business that Poland cannot do without, according to the managers. For this reason, they are looking for new markets. Thus, the factory in Bolechow near Krakow wants to begin production of NATO ammunition. Various textile plants would like to sew Bundeswehr uniforms and the Americans are interested in army shoes made in Poland. But the leaders of CZI are not so eager to talk about the fact that Polish submachine guns were used in bloody terrorist attacks in Paris and Ankara.

"Just like their foreign colleagues," mocked the weekly newspaper PRAWO I ZYCIE, Polish dealers also sought to present the impression that there are "good" and "bad" weapons exports. "Naturally they are engaged

only in good trade, set tough conditions, pay attention to the good reputation of their customers and sell only clearly marked weapons—to Libya's Qadhdhafi, Iraq's Saddam Husayn, Ethiopia's Mengistu and shady figures from the Palestinian movement."

In mid-May, in the course of the transition to the market economy, the state foreign trade monopoly of the CZI for weapons was suspended. Now everyone is allowed to export war materiel, provided that he receives a license from the foreign economic and foreign ministries for each export. The tug of war behind the scenes lasted for several weeks until a black list of nations was drawn up in which the Poles are not supposed to sell any weapons. Besides Taiwan, it includes Ethiopia, Iraq, South Africa, and the PLO.

In contrast to before, when it was only necessary to monitor the CZI, today there are already more than a dozen enterprises that want to earn money with Polish weapons. At Bumar-Labedy in Gleiwitz, for example, representatives of a mysterious "Globo GmbH" showed up to order 200 tanks. The order was received gratefully and the enterprise is again working at full capacity for the time being. No one knows where the tanks are going: the Foreign Ministry is refusing to give any information. The newly founded "Erg GmbH" would like to export explosives, the "Centrex GmbH" is already selling phased-out war materiel and the list could be continued.

"The elimination of the state foreign trade monopoly for armaments increases the danger that Polish weapons will more and more often end up where they very definitely should not go," wrote the capital city newspaper ZYCIE WARSZAWY after the publication of the black list. And GAZETA WYBORCZA asked: "Will the state control be effective?" The answer sounded extremely pessimistic: "One may doubt it. At most it will ease our consciences."

## HUNGARY

### U.S. Government Agency To Advise on Small Business Development

90CH0179A Budapest NEPSZABADSAG in Hungarian  
5 May 90 p 3

[Interview with SBA [Small Business Administration] director Susan Engeleiter by Demeter Pogar; place and date not given: "'The Only Thing To Be Ashamed of Is if One Does Not Even Try,' Says the Director of the U.S. Small Business Administration"—first paragraph is NEPSZABADSAG introduction]

[Text] Each year about a million small businesses are started up in the United States. In order to ensure that these new enterprises can start under equal conditions, in 1953 a federal agency was created with the name Small Business Administration [SBA]. The SBA assists enterprises in staying on their feet by providing financial and technical resources and training for them and by locating government orders. A few days ago, Susan Engeleiter, director of the SBA, made a brief visit to Hungary and held talks on how much of the SBA's experience could be utilized in Hungary.

[Pogar] Many people feel that small enterprises are the primary historical force behind America's economic development. "If, by the age of 30, one has not become a millionaire or has not declared bankruptcy, then one has not been tested," it is said. What is the role of small enterprises in America?

[Engeleiter] Small enterprises are highly respected in our country, and during the past ten years this esteem has greatly increased. Two-thirds of the jobs in America are provided by small enterprises. In the past decade we have observed the trend that it is enterprises employing less than a hundred persons that are especially instrumental in creating jobs and developing technologies; and this trend will continue in the future, too.

[Pogar] What do they call small enterprise in the United States?

[Engeleiter] There are many definitions. Let us just say that small enterprises are those that employ less than a hundred persons. But if we draw the line at 25 employees, even they represent about 60 percent of all registered enterprises.

[Pogar] How can the SBA assist the small enterprises?

[Engeleiter] Banks in America are very helpful, but still they cannot do everything. Our agency fills this gap by encouraging banks, through our programs and the federal budget, to provide loans for small enterprises. In this manner we have assisted several firms which have now become well known, such as Federal Express, which delivers shipments anywhere in the world, or Apple Computers. These firms all had their initial difficulties obtaining money from banks.

[Pogar] Is failure something to be ashamed of in America?

[Engeleiter] No, it is more a matter of shame if one does not try. In political as well as business life, people respect those who try and fail in achieving something. It is sort of like an unsuccessful campaign for the presidency: Lincoln lost at least five elections before he became the president of the United States. We respect those who try to achieve something and find it natural that sometimes it takes more than one try to succeed.

[Pogar] How many times is the SBA willing to assist an entrepreneur in getting started?

[Engeleiter] Most people succeed on their first try. Of course, there are those who ask for assistance a second time. Sometimes we grant such requests, but generally we are careful and do not waste the taxpayers' money. Let us take my father as an example: He started as a worker at age twenty, and later he employed workers. Early in the 1980's, when there was a serious recession in the United States, things went badly for him: He mortgaged his house, took a loan from family members, and slowly recovered. Last year he had his most successful year. Such cases are common.

[Pogar] According to some sources, two out of three business start-ups will fail, while others say that within five years after starting, four out of five will close their doors. How can these be helped?

[Engeleiter] There are people who will open a restaurant in a location no one frequents, while others will sell T-shirts nobody wants. If their goods are not selling, they must come up with new ideas: They must relocate or sell different T-shirts. To a certain degree, our agency can help in these matters. On the other hand, many people recover by finding employment with someone else, perhaps one of the larger firms.

[Pogar] Still, what can the SBA do to save them? The so-called incubator system is often mentioned in your country....

[Engeleiter] I have found that the incubator system is known in Budapest, too. The substance of this approach is that municipal or state administrations permit small enterprises to occupy their unused properties free of charge or at a moderate rate. They also provide some technological support, too, but only to those who have concrete ideas as to what they wish to do. The goal of such an incubator is to create conditions, at minimal expense, in which small businesses can operate. The incubator system makes it possible for small enterprises to reduce their costs by, for example, employing one secretary instead of five.

[Pogar] What is the reason behind your visit to Hungary?

[Engeleiter] Our agency generally deals only with domestic matters. However, President Bush asked us, along with other agencies, to report to him on whether any of our programs could be utilized in Hungary. We

will invite Hungarian entrepreneurs to the United States in order to show them our economic system. We will also contact American businessmen who would be willing, on a voluntary basis, to receive visitors from Hungary, or would come to this country to provide advice. These were the subjects of our discussions in Budapest.

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President Bush has recently appointed Susan Engeleiter to head the National Council of Business Women. According to the director, enterprises managed by women represent the most rapidly growing segment of American business. Nowadays one and a half times as many enterprises are started by women as by men, and fewer of these fail.

### Commerce Minister Beck's Farewell to 7 CEMA Ministers

90CH0211B Budapest FIGYELO in Hungarian  
17 May 90 p 4

[Text of letter by former Minister of Commerce Tamas Beck to his minister colleagues in seven CEMA countries—first paragraph is FIGYELO introduction]

[Text] It is well known that Hungary and the Soviet Union have agreed that, as of 1 January 1991, accounting of trade between the two countries will be done in dollars. A joint committee of experts, set up by the Hungarian Ministry of Commerce and the Soviet Ministry of Foreign Trade, has begun to work out the terms. Minister of Commerce Tamas Beck wrote the following letter to his minister colleagues of those CEMA countries with whom no agreement on the new system of accounting has yet been made:

*You are also aware that, in accordance with the resolution passed at CEMA's 45th meeting, a radical change in the system of CEMA's bilateral and multilateral economic cooperation is in process, including a change in the pricing mechanism of foreign exchange and finances.*

*There was general consensus at this meeting that, in our joint division of labor, comparative benefits for our countries can be assured only by market-oriented cooperation based on an awareness of world market values and by a more active and effective connection with the worldwide international division of labor.*

*The basic issues of cooperation, both in bilateral and multilateral relations, are only now being formulated. Consequently, complete and concrete proposals for economic terms regarding the new system of cooperation, effective 1991, cannot yet be made.*

*However, economic necessity makes it increasingly urgent for us to offer enterprises and entrepreneurs the clearest possible guidelines regarding the conditions of future economic management. It is already time to prepare and sign enterprise contracts in several areas of cooperation, especially in those areas involving products that take longer to manufacture. Because of all this, Hungarian*

*enterprises are being given guidelines for the conditions regarding private legal contracts. For your information, I outline these guidelines in the following.*

*In making market policy and economic decisions, Hungarian enterprises must take into account that, as of 31 December 1990, some cooperative regulations of the present trade of goods in ruble accounts will be abolished and others will be replaced with new ones. Numerous CEMA contracts will be expiring. As far as Hungary is concerned, we have repeatedly and officially presented, both during the course of bilateral talks and at multilateral forums, our propositions regarding the change in CEMA cooperation. We think that adapting to world market conditions would be the best solution.*

*This would entail a change from state commitment to enterprise commitment. Thus, the mutual trade of goods and services could be implemented through contracts between enterprises authorized to engage in foreign trade, without any commitments on the part of the states. We have informed the enterprises that, during the period of transition (the length of which may vary with the different relations), they would make bilateral trade agreements with indicative lists for one or more years, in the framework of which the state, although it would make no guarantees, would attempt to assist in deliveries and in no way hinder them. With the above understanding and mindful of the uncertainties, Hungarian enterprises have been given guidelines so that beginning in 1991, they can sign delivery contracts based on convertible currencies, world market prices, and international norms of delivery and payment.*

*In the interest of maintaining mutually beneficial trade and economic relations between our countries, and of avoiding their unwanted deterioration, I recommend furthering our talks on reform and cooperation.*

*With best regards,  
Tamas Beck*

### Students Challenge Finance Minister's Competence

#### Open Letter to Minister Rabar

90CH0257A Budapest MAGYAR HIRLAP  
in Hungarian 12 May 90 p 4

[Students of the Laszlo Rajk Department of Special Studies and the Department of Social Theory, University of Economic Sciences, Budapest: "Open Letter to Mr. Ferenc Rabar, Finance Minister Nominee"]

[Text]

Dear Mr. Rabar:

*We learned in the 8 and 9 May issues of MAGYAR HIRLAP that you have been nominated by the MDF [Hungarian Democratic Forum] for the post of minister of*

*finance. We also learned from these two issues that you are a professor at our university. Students of the various departments of special studies, who represent all classes and all departments of the university, have not yet heard any of your lectures. We looked up the list of your publications in the university's special library, and found none among your writings that dealt with finance.*

*Consequently, we respectfully ask you the following:*

- 1. Which department's faculty are you on, and in what way do you participate in teaching and in university life?*
- 2. What kind of references to finance do your professional experience and work have that would make you feel competent enough to direct the portfolio of finance?*

*Earlier statements made by MDF leaders have indicated that positions in the government will be taken by known and reputed professionals. We would like to be sure that this promise will be kept, and so we ask that you answer the questions above in public.*

*Students of the Laszlo Rajk Department of Special Studies and the Department of Social Theory, University of Economic Sciences, Budapest*

#### **Finance Minister's Answer**

*90CH0257B Budapest MAGYAR HIRLAP  
in Hungarian 12 May 90 p 4*

[Article by Ferenc Rabar: "Reply to the Open Letter"]

[Text] The inquiry about my person by the students of the Laszlo Rajk Department of Special Studies is understandable and welcome, though they could have first addressed their questions directly to me; they could have done this much more rapidly, and could have perhaps placed a little more confidence in me.

The inquiry is welcome because it demonstrates a public interest, a love of publicity, and a concern for the future of our economy on the part of the letter writers.

To answer your questions, I am not a professor, I have never made such a statement although I have been addressed by this title several times, just because of where I work, by those who do not know me or my position. (This is probably what MAGYAR HIRLAP has done.) I lectured at the university from 1970 to 1975 ("Digital Simulation of Economic Systems," and a game of computer-assisted investment decisions) and from 1981 to 1982 ("Applied Econometrics"). At present, I am directing research on Hungarian farming policy in an international context. A book of mine on this subject, which I coauthored with Csaba Csaki, rector of the university, is going to be published by Kozgazdasagi es Jogi Konyvkiado [Economic and Law Publisher] within a few months.

Indeed, my works are related not to finance but to macroeconomic modeling, in which I have been involved not only abroad at the International Applied

System Analysis Institute, Luxembourg (for a about eight years), but also at the Planned Economy Institute of the National Planning Office, including a tenure as director of the Main Department of Methodological Development (for three and a half years). Actually, my interest in modeling has never been theoretical; rather, my goal has always been to examine the actual questions of economic policy.

In the planned new institutional system, the Ministry of Finance will have much more extended tasks in economic policy, in addition to its traditional tasks (for which it has an experienced professional staff). I believe this will be the main area in which I will be able to make use of my experience.

As I mentioned in the "blitz interview" given to the MAGYAR HIRLAP, neither the offer nor my decision is final. In spite of this, I considered, of course, the monumental tasks towering in front of the new government's economic leadership, and I am aware of my enormous responsibility. As I made the decision, after many sleepless nights, to accept the nomination, I have done so not because of an inflated ego but because of a sense of duty. I consider my future job to be a service which will no doubt entail certain sacrifices as well. I also include among these the sacrifice of accepting a lack of confidence.

#### **Building Industry Decline Analyzed**

*90CH0211A Budapest FIGYELO in Hungarian  
17 May 90 p 6*

[Article by Dr. Bela Szabadi: "Building Industry 1990: Down the Slope With No Money?"—first paragraph is FIGYELO introduction]

[Text] Building and installation work in the building construction industry, with the exception of small organizations, is in a recession. However, based on the experiences of the past years, the industry's actual output will surpass the enterprises' expectations (a decrease of 12 percent), ascertains the Economic Research Institute's survey which included 50 percent of the branch's production.

The situation is graver than the average in cooperatives, joint enterprises, and the civil engineering industry. The latter is expected to have the greatest decrease in volume, which also means the moderation of new investments and projects a further decrease in construction investments.

Contracting through competitive bidding is continuing to increase in the construction industry. The proportion of contracts obtained through competitive bidding will increase from 23 to 26 percent. Although to varying degrees, this tendency prevails in every subbranch. The greatest increase is expected in cooperatives and in the civil engineering industry; the smallest is expected in the trade and installation industries.

The trend in industrial production of the construction industry is similar to that in building activity. The value of industrial production has increased by 2.4 percent, but this means a significant decrease in volume. The dynamics, too, are less favorable than those of last year, but more favorable than in the building construction industry. The compensating effect of industrial production, like maintenance work, is generally not demonstrable. It is not typical for a strong decrease in building activity to go together with the perceptible growth of industrial production or vice versa.

Price increases in construction and maintenance work and in materials (from 10.6 to 13.5, from 12.1 to 14.6, and from 14 to 18.5 percent, respectively), as compared to even the preceding year, are accelerating perceptibly. In our experience, construction enterprises tend to underestimate, rather than overestimate, price fluctuations. More than four-fifths of the enterprises believe that they will be able to pass their cost increases on to their customers.

The enterprises are almost unanimous in their opinion that competition will increase in 1990. Only 23 percent of the construction organizations believe that their position in the marketplace will not change during the year (in 1989, 33 percent still thought this), while almost 80 percent of the enterprises expect a change—generally, a deterioration—in their position. In the opinion of most organizations, the effects of the regulations on imports, wage management, and development will be of no concern to the enterprises.

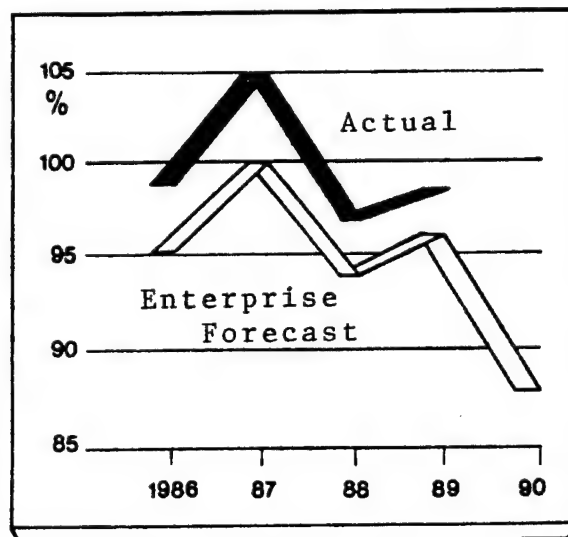
According to forecasts, investment payments will decrease by 15 percent. In this area, too, the average will cover a wide range: an 11-percent increase at building cooperatives, an 87-percent increase at joint companies, and a 21-percent decrease in the civil engineering industry is expected. With regard to investment financing, the importance of private sources continues to grow—even in comparison with the high level already attained—and the role of credit is lessening in every category (with the exception of cooperatives).

A decrease in the construction industry's labor force is continuing. The number of full-time employees is expected to diminish by 5.7 percent. Enterprises tend to underestimate the degree of work force reductions.

Average wages will increase more moderately than last year, by 16 to 17 percent. The increase will be somewhat lower in cooperatives and in the civil engineering industry, somewhat higher in joint companies. On the basis of past years' experience, it is worth mentioning that construction industry organizations underestimate wage increases.

The Economic Research Institute's survey indicates a small (five-percent) decrease in revenues before taxes and a relatively modest (four-percent) increase in after-tax revenues. Cooperatives and joint companies indicate favorable dynamics, while in the civil engineering industry a considerable (30-percent) decline is probable.

Trend in Volume of Construction-Installation Activity  
(previous year = 100%)



According to predictions, among the organizations that participated in the survey, the number of enterprises showing a deficit will lessen from last year's five percent to three percent, and the amount of losses will decrease by about 50 percent. At the same time, the enterprises think more optimistically than is warranted about the chances and the possible extent by which they can decrease their losses.

The financial situation is expected to continue deteriorating. Sixty percent of the construction industry organizations had payment difficulties last year; this year already 75 percent of them are expecting such difficulties.

The difficulties in payments originate from various, and possibly a combination of, reasons. Among these, the significance of credit payments is generally low. The enterprises usually indicate debt increases. More than 50 percent of them will increase their circulating fund credit-debit, for almost 50 percent the amount owed to producers will grow, and for about 25 percent their tax debt will grow. At the same time, 75 percent of the construction industry organizations will increase their outstanding bills to buyers. Two of the enterprises participating in the survey foresee declaring a liquidation.

The number of apartments the construction industry organizations are planning to complete is essentially the same as last year. But, at the same time, the experiences of preceding years point to enterprises tending to overestimate their apartment building capacity at the beginning of the year. According to predictions, an increase of about six percent is expected in cities with county status; on the other hand, a 12-percent decrease is probable in Budapest. The number of directly marketed apartments will increase significantly (by 73 percent), but will remain a low proportion (14 percent) of the apartments



built by the building construction industry. In connection with all of this, house factories will use even less of their capacity.

## POLAND

### Soviet Representative on Future Polish-Soviet Relations

90EP0666A Warsaw RYNKI ZAGRANICZNE in Polish No 54, 7 Jun 90 p 3

[Article by G.S. Szczukin, USSR trade representative in Poland: "A Transitional Stage in USSR-Polish Trade: A Period of Hopes and Fears"]

[Text] Trade cooperation between the USSR and Poland finds itself in a transitional state on the way to qualitatively new economic relations, which should reflect the political and economic changes occurring in both countries, and especially the process of introducing a market economy. As yet, many of the old mechanisms for conducting mutual cooperation, formed to ensure its permanence and continuation, are still in operation. At present, rapid, complete abandonment of those mechanisms does not seem either possible or desirable since it could harm many beneficial economic ties between the two countries. The range of these ties is among the broadest in Eastern Europe and is second only to the level of turnover between the USSR and the GDR. There is no need to emphasize again the great significance trade between the USSR and Poland, especially Soviet shipments of crude oil, natural gas, gasoline, technical consumer goods, and Polish shipments of machinery, equipment, ships, food articles, clothing, and footwear, has for the economies of both countries and for the daily lives of the ordinary people.

In March 1990, in spite of difficulties, the USSR and Poland signed an annual protocol for trade turnover and payments in 1990. It guarantees maintenance of Soviet shipments to Poland of basic raw materials at previous, stable levels: crude oil and its products and natural gas. Unfortunately, the protocol includes significant reductions of Polish goods for the USSR, especially machinery and equipment. There is a risk that such limitations of exports of Polish machinery products will lead not only to an improvement in ineffective or irrational relations with our Soviet partners, but will also cause damage to already stable, mutually beneficial contracts. And meanwhile experience on the world markets shows that it is much easier to break contacts and lose a sales market than to make new contacts and return to lost markets.

Simultaneously, with the maintenance of current trade mechanisms between the USSR and Poland in 1990, intensive work to shift gradually to settlement in convertible currencies at current world prices will be conducted. The Soviet Union is conducting such work with other partners from the CEMA.

In 1990 as part of an experiment, 15 percent of the mutual shipments between Poland and the USSR will be settled on the principles of convertible-currency clearing. Trade for cash is expanding. For example, the USSR is importing for cash some food articles from Poland. The shift to settlement in convertible currencies at current world prices is causing significant problems and even losses. Nevertheless, a change in the settlement mechanism is becoming a higher necessity, and in the final analysis it is beneficial for both sides since it eliminates many of the currently existing settlement problems, contributes to overcoming the isolation of the markets of the CEMA countries, etc. In shifting Polish-Soviet trade onto new tracks, we should not, in our opinion, resign from some cooperative mechanisms which give it a stable and continuing character. Such mechanism as, for example, coordinating national economic plans, obviously putting qualitatively new contents into them, should be retained.

One of the basic directions of change in Polish-Soviet trade is shifting its main burden onto direct contacts between partners. As you know, an unchanging prerequisite for favorable development of such contacts is a wide latitude for enterprises to seek partners and set up mutually beneficial relations. On these premises, we are taking part in the traditional way in the Poznan International Trade Fair. The Soviet exposition at the fair is a reflection of the significant changes occurring in the foreign trade system in the Soviet Union. Not only are the foreign trade associations under the USSR Ministry of Foreign Economic Relations taking part in the fair, but so also are associations of foreign trade from the industrial ministries, of the union republics, of the firms of the trade associations and of the industrial enterprises. We hope that many of their offerings will arouse interest among our Polish partners, and their implementation will be a new contribution to the process of change in Soviet-Polish trade cooperation.

### Banking School To Be Established With French Cooperation in Katowice

90EP0636A Warsaw ZYCIE GOSPODARCZE in Polish No 17, 29 Apr 90 p 8

[Article by Elzbieta Rumowska: "School for Bankers"]

[Text] Together with the French Centre de Formation de la Profession Bancaire in Paris [CFPB], the National Bank of Poland [NBP] and 20 commercial banks (the cooperative bank in Wisla also joined) is establishing a banking school, the first of this type in Poland. A joint-venture agreement will be signed shortly (it must be approved by the Agency for Foreign Investments), in which an initial capital of approximately \$2.5 million (the zlotys equivalent) is assumed. It will be divided into 1,000 equal, indivisible parts and taken by the shareholders in the following proportions: CFPB, 20 percent, NBP, 20-30 percent, and the remaining banks, 50-60 percent (the amounts will vary). All of those interested in

the establishing of the company are willing to cover all costs connected with the setting up of the school.

The future banking center will take advantage of French assistance (textbooks and teaching materials). Before the school is opened, the Polish lecturers will be trained in Paris (June and September). The lessons will also be conducted by French lecturers who know the Polish language. The students will also be sent for practice training in French centers and banks. The CFPB will equip the school with the computer equipment necessary to conduct the teaching. In September, before the opening, the organizers plan to train the dealers.

The center will concern itself primarily with general banking training and with training banking specialists at all levels. The teaching will be done by a system of both classroom and extension-course studies (for a fee; a reduced fee will apply to persons sent by company shareholders). Young, able people will be trained, people who went to work for a bank immediately upon graduating from high school. Courses and seminars for upper management staff will also be offered (conducted by the best foreign experts). In October, the first course for middle management will be arranged.

In addition to courses for the banking staff, operations of a strictly profit-making type will be conducted, including for-a-fee training of financial cadres for the entire economy, consultation, publications and service activity. A model, world-class bank, will also function at the center.

The building formerly occupied by the Katowice branch of the Academy of Social Sciences (under the PZPR Central Committee), is the building that the school would most like to have (negotiations being conducted with the city authorities are going well at the moment). In it, almost 200 persons can be trained at the same time, both on-site and through extension courses.

In a few weeks the school's program will be announced. It will be directed by a person selected competitively (one of the conditions is that the director must be under 40).

Thus Katowice would like to become the banking center of Poland (two of the largest and regarded as the busiest commercial banks are located here: Silesia and Commercial-Trade from Krakow) and a training center for not only banking but also for the financial services of the entire economy.

### Labor Market Statistics Broken Down by Voivodship

90EP0626A Warsaw RZECZPOSPOLITA in Polish  
21 May 90 p 2

[Unattributed article: "The Labor Market"]

[Text] Employment Offices have furnished subsequent information on the situation in the labor market as of 15 May of this year:

Voivodship	Number of Offers of Employment	Number of Unemployed	Percentage of Unemployed Compared to Employed in the Economy
Total	33,919	398,526	2.96
Warsaw	7,490	8,446	0.78
Biala Podlaska	14	3,220	3.96
Bialystok	134	12,196	5.61
Bielsko Biala	726	4,984	1.55
Bydgoszcz	506	15,159	3.81
Chelm	126	2,427	3.28
Ciechanow	74	8,519	7.47
Czestochowa	643	7,270	2.82
Elblag	320	6,014	3.74
Gdansk	2,364	11,035	2.10
Gorzow	354	7,697	4.19
Jelenia Gora	382	8,213	4.15
Kalisz	312	9,11	3.92
Katowice	4,255	16,228	0.98
Kielce	1,044	13,486	3.64
Konin	123	8,681	6.52
Koszalin	850	8,648	4.44
Krakow	908	6,884	1.48
Krosno	69	7,348	4.59
Legnica	334	5,904	3.03
Leszno	489	3,406	2.72
Lublin	237	11,266	3.41
Lomza	142	5,527	7.21
Lodz	778	16,829	3.39
Nowy Sacz	416	7,012	3.51
Olsztyn	768	14,196	5.3
Opole	793	5,545	1.52
Ostroleka	87	5,330	5.54
Pila	217	7,226	4.42
Piotrkow	485	11,075	5.28
Plock	144	9,454	5.86
Poznan	758	8,036	1.51
Przemysl	65	5,546	4.64
Radom	228	6,017	2.68
Rzeszow	214	9,236	3.91
Siedlce	238	5,235	3.43
Sieradz	226	5,138	4.36
Skierniewice	126	4,608	3.85
Slupsk	544	7,797	5.23
Suwalki	140	11,135	7.79
Szczecin	1,798	6,302	1.66
Tarnobrzeg	128	6,011	3.44

Voivodship	Number of Offers of Employment	Number of Unemployed	Percentage of Unemployed Compared to Employed in the Economy
Tarnow	287	4,726	2.53
Torun	266	11,326	4.98
Walbrzych	665	8,489	2.95
Wloclawek	196	7,463	6.08
Wroclaw	1,865	9,725	2.21
Zamosc	85	4,520	3.72
Zielona Gora	506	9,176	3.80

### Light Industry Troubled by Distribution, Growing Inventories

90EP0626B Warsaw RZECZPOSPOLITA in Polish  
21 May 90 p 2

[Unattributed article under rubric "Light Industry"]

[Text] The problems of light industry are mounting. Alarming reports keep coming from enterprises about difficulties with sales and increasing stocks in warehouses. Compared to last year, almost all factories have reduced output; bankruptcy is becoming a threat to some companies. In the table below, we present production levels for several producers of garments, footwear, and knitted goods which are well known in the market in the first two 10-day periods of May. Let us recall that in the first decade there were two days off (1 and 3 May) which perceptibly affected production performance, though not in the same manner everywhere.

Enterprise Name	Output per Thousand Pieces		Sales as Percentage Share of Output	Stocks as Percentage Share of Output
	First Decade	Second Decade		
Bytom	24	44	79.6	24.3
Wolczanka	119.8	173.3	95	8.5
Modar	17.4	16.3	92.8	18.7
Skogar	66.5	114.6	91.3	18.3
Syrena	29	52	82.2	15.9
Neptun	41.4	59.7	94.5	19.8
Hanka	567	689	84.5	20.4
Karo	280	415	93.6	7.2
Jarlan	41.5	51.4	89	19.5
Syntex	531.5	866.3	91	14.6
Stella	275	480	82.7	17.3
Fenix	1,733	1,631	92.9	12.6

As we can see, stocks at many enterprises are increasing, and difficulties with sales are accumulating, despite the attempts of enterprises to dispose of the merchandise on their own through truckload sales and fairs. Even more

surprisingly, many products of these well-known companies which are highly valued in the market are not to be found in stores. State wholesale trade, which is too slow to demonopolize and privatize, has become a "bottle-neck."

### Fluid Situation Observed in Craft, Small-Scale Industries

90EP0626C Warsaw RZECZPOSPOLITA in Polish  
29 May 90 p 2

[Unattributed article under rubric "Craft Industry"]

[Text] Statistics are not too optimistic, but they do not confirm alarming reports on the profound decline in Polish crafts. According to data collected by treasury chambers, since the beginning of the year 24,211 craft shops, 6,313 trade outlets, and 12,398 service outlets have been liquidated. As was calculated, 42,922 craft shops have disappeared from our economic landscape. At the same time, before the end of April, 33,177 new private production facilities, 42,859 trade outlets, and 17,066 service outlets were set up. In total, more than 93,000 small private enterprises have been set up. The future of craft shops, the owners of which have suspended operations for various reasons, remains unknown. It is known that in most cases these decisions are compelled by mounting difficulties in the market and in merchandise sales, despite ailments, leave, and repairs being given as the official cause of suspending production or trade. In short, locking things up temporarily has become a way to survive the worst period for many private businessmen. It is estimated that as of the end of April there were 41,802 "temporarily" closed facilities, 6,031 trade outlets and 29,800 service outlets. The overall number of facilities which are temporarily closed down has exceeded 77,600, and it is unknown when they will resume normal operations.

As of now, it is difficult to point out emerging trends. The situation is still fluid, it changes every month, and there is no way to use this statistical kaleidoscope for predicting the future. The only indisputable fact remains that more new businesses are set up than are liquidated, even on a monthly basis. In January, 9,397 workshops were closed down; in February, 5,322; in March, 4,073; and in April, 5,419. Meanwhile, 10,589 of them were set up in January, 8,104 in February, 6,470 in March, and 8,014 in April. Similar trends were registered in trade. In this sector, 2,143 businesses were closed in January, 1,259 in February, 1,020 in March, and 1,893 in April. At the same time, 5,336 stores were started in January, 8,590 in February, 13,360 in March, and 15,573 in April. The situation was the worst in the sphere of services. In January, 6,552 service facilities were closed; in February, 3,131; in March, 147; and in April, 2,568. Meanwhile, in January 6,466 of them were started; in February, 5,009; in March, 1,442; and in April, 4,149.

Finally, a short comparison drawn up by the industries. In total, 18,090 private businesses went out of business in January, and 22,391 were set up. In February, 9,712



went out of business, and 21,703 were started. In March, 5,240 went out of business, and 21,272 were started. Finally, in April the number of businesses dropped by 9,880, and 27,736 were set up.

Therefore, it turns out that despairing is not in order, though there is no cause to rejoice either. After all, changes in the economic structure must amount to the rapid development of the private sector; meanwhile, there is no doubt that at present the rate of its growth is lower than last year. In principle, only trade is blooming, but in this case the fact should not be passed over in silence that almost 60 percent of newly formed private businesses amount to mobile and hand-carried stands which may disappear from the market at any moment. The buyouts or takeovers of shops, so-called minor privatization, proceed with great difficulty. Unfortunately, statistics only confirm facts which are visible to the "naked eye."

#### **Agriculture Minister Visits Opole Farmers, Peasant Activists**

90EP0656A Opole TRYBUNA OPOLSKA in Polish  
15 Jun 90 pp 1-2

[Article by St. Kubik: "Dozens of Impolite Questions Deputy Premier Czeslaw Janicki Must Answer"]

[Text] Countless problems have accumulated in agriculture and in village life (the Opole district is not an enclave of happiness in this regard). Sometimes the problems become a tangle difficult for the peasant mind to comprehend. When there are many questions, authoritative and credible answers are required.

Wanting to satisfy the universally expressed wishes, in response to the invitation of Kazimierz Dzierzan, the Opole Voivodship governor, and the administration of the voivodship Polish Peasant Party, Professor Czeslaw Janicki, the vice president of the Council of Ministers and minister for Agriculture and Food Industries, came to the Opole district; in the course of a few days, he held a series of meetings at various centers (the visit ended yesterday evening). He became acquainted specifically with the work of the Voivodship Center for Agricultural Progress in Losiow, the Nadodrzanskie Fat Industry Plants in Brzeg and the Agricultural Producer Cooperative in Wierzbicice. In each of these institutions, very different from each other, the local specialists gave the deputy premier many helpful suggestions for shaping

agricultural policy. Assuming that a policy exists. With respect to this, opinions in Opole are strongly divided.

This idea seems to be confirmed by the content of two basic meetings. The first was in the House of the People's Movement in Opole attended by several hundred leading activists of the Polish Peasant Party from the whole voivodship and chiefs of the agricultural service institute and of the processing plants for agricultural products. The second meeting, in the headquarters of the UMiG [Municipal and Gmina Administration] in Nysa, was attended by several dozen local farmers. The following are some notes on the course of the Opole meetings.

The deputy chairman of the Voivodship Administration of the Polish Peasant Party, Czeslaw Kantorczyk, only set the order: first, questions for the deputy premier, then we will turn the floor over to our guest. Questions came at a fast pace, some scarcely within the bounds of courtesy, with personal references to the guest himself. Among the questions were the following: Who is in charge of agricultural policy in Poland at present, which specific people, what part does the Polish Peasant Party play? Does Premier Janicki personally support the present agricultural policy, or is he helpless in the face of it? Doesn't the department have the least influence in restraining the drastic interest on credits for agricultural purposes? When will the farmer finally stop being treated like air and be informed in a timely fashion concerning at least the approximate agricultural prices (everyone knows the farmer lives from his own products) so that he will know what to grow?

There were harsh questions on the subject of the horrendous prices for imported fodder components. Attention was drawn to the fact that in the Namyslow community for the first time in history, the debt of farmers exceeded by a large amount the savings deposited in banks. This is an alarm bell. There are few prospects for revitalizing the agricultural situation, we heard, and that is one of the reasons for the mass emigration of farmers from the Polska Cerekiew community to the West.

The deputy premier gave detailed answers to the questions above and to many other questions. However, I left with the impression, confirmed also by comments widely expressed in the hall by the participants of the meeting, that these were "circuitous," "rounded-off" answers that excessively stressed the difficulties common to the whole economy and the responsibilities of the village to carry the burden of the crisis.

## HUNGARY

### MSZP Officials Grilled on Newspaper Ownership Transactions

25000748C Budapest NEPSZABADSAG in Hungarian  
21 Jun 90 p 4

[Article by Tibor J. Keri: "Parliamentary Committee Meetings: Party Newspapers Constitute Parts of Party Property"]

[Text] Momentary helplessness prevailed yesterday afternoon in the parliamentary committee that examines the privatization processes of the printed press and the electronic media. The situation arose when the committee did not know what to do with MAGYAR NOK LAPJA. Testimony by editor in chief Valeria Revai revealed that no one had derived any kind of financial gain from transforming the newspaper. All that happened was that they succeeded in getting rid of their previous owner, and that the action taken by the National Association of Hungarian Women to disintegrate the editorial staff has failed. Thus the newspaper was transferred under the ownership of the Hirlapkiado Vallalat [Newspaper Publishing Enterprise]. It is well known that the latter has become a state enterprise already. Thus the committee had to be satisfied with what was said, and they did not ask any questions of the editor in chief.

The next person summoned, ESTI HIRLAP deputy editor in chief Ferenc Komornik, was questioned with much greater force. He appeared before the committee instead of vacationing Denes Maros. Komornik told the committee that the technical modernization of ESTI HIRLAP, a newspaper which may be regarded as a typographical fossil, may take place only with the help of strongly capitalized partners. That is why they signed a letter of intent to establish a stock corporation with the Maxwell firm and with Hirlapkiado Vallalat, so that editorial workers can obtain 20 percent of the shares. The stock corporation would be established with 100 million forints of capital.

Of greatest interest to [Hungarian Democratic Forum—MDF representative] Istvan Csurka was the issue of the authority on the basis of which journalists are changing overnight from being employees to being capitalists. According to Csurka, the greater share of property the editorial office receives without taking any risks, the more indecent the business transaction is. Moreover, Csurka asserted his view that Maxwell "rewards" those who bring about the business deal by giving them stock. At this point Komornik enlightened the author-representative with the fact that the transaction has not been consummated, moreover that Hirlapkiado Vallalat, the candidate for a share of ownership, may renege on the transaction.

Alliance of Free Democrats [SZDSZ] [representative] Miklos Haraszti approached ESTI HIRLAP from a different angle. He questioned the role of the Hungarian

Socialist Party [MSZP] in this matter. He wanted to know the extent to which accounting for property applied to former party newspapers. In his view the earlier opposition viewpoint was proven, according to which MSZP property also includes (included) the party newspapers. Accordingly, the obligation to account for property applies retroactively to every case—i.e., in this interpretation—to all the money the party received or receives for these newspapers.

In response to the above, MSZP business affairs expert Laszlo Mate announced that the Socialist Party has not yet received a single penny either from Hirlapkiado Vallalat or from the Maxwell firm. The establishment of a stock corporation is subject to a permit from the Finance Ministry. In other respects the Socialist Party expert stressed that relinquishing property is a costly matter, it represents a tremendous burden to the party. Liquidation costs stemming from [the requirement to] account for property amount to between 400 and 500 million forints, while the party has mainly unpaid bills.

In response, Haraszti recalled a statement made by [Communist Party official] Imre Nagy published by ESTI HIRLAP, according to which the 50 million forints received for various newspapers will be spent on the party's election campaign debts. "I wonder whether the party will offer to pay this money to the state," Haraszti continued. "And it would also be good to examine the costs of 'liquidation.' But it would be appropriate to question Imre Nagy concerning all of this," he added. The committee was unable to do so because Nagy was abroad at the time. Thereafter several representatives complained about Nagy's absence, moreover, one member of the committee noted that in his view Nagy's absence was stunning, though he added that he did not intend to increase the threatening character of this matter. In response, [MSZP business affairs manager] Andras Fabriczky asked to be heard: In his recollection, Imre Nagy's name was not mentioned as one to be invited, by the conclusion of the committee's session last week.

At this point committee Chairman [MDF representative] Jozsef Debreczeni ordered a recess, during which the minutes of the previous session would clarify everything, according to Debreczeni. At press time the committee was still awaiting to hear testimony from SZABAD FOLD, the UJ NEPLAP of Szolnok, MAGYAR HIRLAP, and the editor in chief of MAGYAR NEMZET, as well as from the well-known banker Sandor Demjan.

### Reformed Church Leadership Crisis: Mixed Results of Renewal Efforts

#### Peace Movement Future Discussed

2500748B Budapest MAGYAR HIRLAP in Hungarian  
8 Jun 90 p 6

[Interview with Budapest Reformed Church Bishop Karoly Toth by Janos D. Kiss; place and date not given:

"The Reformed Church Council Awaits a Decision: Peace Conference, Yes or No?"—first paragraph is MAGYAR HIRLAP introduction]

[Text] Conflicting reports have appeared in MAGYAR HIRLAP during the past weeks concerning the Christian Peace Conference headquartered in Prague, and particularly about the relationship of the Reformed Church to this organization. According to some, the "ill famed" Prague Peace Conference "stood in the service of the communist power bloc," consequently, the Hungarian churches should leave that organization. Some churches did quit. Representatives of the renewal movement within the church attribute the delay experienced by the Reformed Church to the fact that Budapest Bishop Karoly Toth is chairman of the Prague Peace Conference. We asked Bishop Toth to express his opinion concerning these church matters which interest and involve many.

[Kiss] As a matter of introduction, let us talk about the origins and functioning of the Christian Peace Conference. Even its name sounds rather odd: peace conference, while in reality it is an organization....

[Toth] In reality we are talking about an international church movement, the roots of which reach back to 1958. One should start out from the historical situation in those days. At that time, toward the end of the 1950's, we were once again in the age of the cold war, following the thaw of 1953. Certain outstanding European church personalities were the initiators on both sides of the Iron Curtain; some kind of joint forum was to be established where the churches of East and West could meet and enhance the possibility of dialogue which could lead to the relaxation of tensions. At first mainly Czech and German theologians were involved as initiators, but soon thereafter we, the Hungarians, also joined.

[Kiss] Many claim that this was a political move initiated by Moscow—expressly a secular initiative.

[Toth] I must once again contradict this statement. In those days the churches in East European countries ruled by marxist parties were so isolated that it was in their existential interest to find some kind of international contact. This international background was needed in order for them to appear at all in their own countries' public life, so that they could have their voices heard. Actually, the name of this movement is also related to this fact, insofar as the cause of peace was the only cause in which churches could be involved in domestic and international public life, and which was acceptable to the ruling parties and governments.

[Kiss] At the same time, there was a World Council of Churches. Why did you not try to orient yourself in that direction?

[Toth] The World Council of Churches could not provide a forum for us, because in those days that organization, together with the Vatican, were the subjects of grave political suspicion by the East European and

Soviet leadership groups. They were regarded as the "tools of American imperialism and Western ambitions for power...." But the initial tensions between the two organizations soon relaxed. The World Council of Churches understood the need for the Prague Peace Conference.

#### Global Connections

[Kiss] In the end, then, no left-wing political pressure prevailed in the Peace Conference. Is that what you are saying?

[Toth] Of course it did prevail! This organization had to pay [its dues] for being permitted to come into being. One of the prices paid was that it became the spokesman for East European and Soviet policies, in some instances as a matter of formality, in others also in regard to substance. But not in regard to everything...

[Kiss] In your view, later on, to what extent did the movement prove the original intentions of its founders correct?

[Toth] In very many respects, despite its limitations. By the early 1970's connections had evolved on a global scale, and by the middle of the decade Asian, African, Central American, and Latin American units were formed one after another.... The essence is that today the movement has contacts in 96 countries. Organizational membership, group activities, and individual membership are possible.... The joining of church groups from the Third World was particularly important to the organization, because to a certain extent their participation neutralized the left-wing ideological pressure. Because these countries enjoyed official political support, even though in an East European sense they were not of the left-wing persuasion.

[Kiss] But still, what did the Peace Conference provide to its member churches, something that could be regarded as an accomplishment even today?

[Toth] I could say that it held an umbrella over our heads. The movement was registered at the UN in the "B" category, i.e. as an organization that is not at the governmental level. This provided a great opportunity for us to function in the framework of the world organization, and also represented the umbrella I just mentioned. I will present my own case as an example...beginning in 1977 I took thousands of Hungarian language Bibles and song books to the Lower Carpathian region—in four instances during a time when a person from Hungary was not even permitted to enter that region. What do you think; would the Soviet leaders have spoken to me at all if I had made the attempt with these Bibles as a simple Hungarian bishop? Under no circumstances! But the situation was completely different when I was able to appear as the chairman of an international movement that was also registered with the UN. True, even in this way I had to take the Bibles to Moscow first, and I was able to take the train from there to Lower Carpathia.... At the same time—and this is almost

funny—a Moscow church affairs official pushed the Bible packages across the border.

**Is This Something To Be Ashamed of?**

[Kiss] Mr. Bishop, since when have you been the chairman of the Peace Conference?

[Toth] I was first elected executive secretary in 1971, then chairman in 1978, and in the course of another election in 1985 I once again became the chairman of the organization and have been the chairman to this date. I stress that I am performing this function as a person elected by an international organization. Let the public decide whether a Hungarian minister should be ashamed of this! In any event, perhaps even this much will make it clear that the post I hold as chairman is not related to the Hungarian Reformed Church, with my mandate here as a bishop.

[Kiss] I see! With this you are also saying that as chairman of the Prague organization you exert no influence at all on the Reformed Church as to whether that Church quits or remains a member of the Peace Conference.

[Toth] You understood that correctly. A decision over the latter issue pertains exclusively to the National Council of our Church, a body which is holding its meeting now, on 11-12 June, and will deal with our linkage to the Peace Conference. I will recommend to the members of the Council the same thing I recommended to the member churches from other nations: They should grant a year-and-a-half moratorium with regard to maintaining the relationship as members. During that time the necessary transformation of the Peace Conference may take place—modernization of the Peace Conference, if you will—and let the results of the change be the condition by which we decide whether to quit or to stay. Along with all of this, I recommend that the members of the Council render their decision by secret ballot as to whether they accept these concepts, or if they feel that it would be better for our Church to sever its relations with this international organization. It is possible that the latter will take place.

[Kiss] The movement which wants to renew your Church demands an immediate change of officers in the Reformed Church leadership. So that even this role of yours of making recommendations cannot prevail in the Council.

[Toth] Look, I also urge the election of new officers. I hope that the Council will also decide in this regard. The Church leadership becomes inoperative in an atmosphere in which the legitimacy of the leadership is constantly questioned. Whereas there are very many great tasks ahead of us: negotiations with the new government, building new church relations, the matter involving church real estate, and I could go on. But the election of officers must be pure and democratic, consistent with our Church's best traditions. Accordingly, in electing officers we must abide by the decision rendered

by our assemblies, the votes of the presbyters, and the forceful action of a smaller group must not prevail....

[Kiss] I understand that you have requested an assessment of your person before!

[Toth] To be precise, last November at the general meeting of the Church district I handed in my mandate as a bishop. I requested that body to order new elections in regard to the office of the bishop. I did so in consideration of the given social situation, insofar as the world has changed and I have been a bishop for 13 years already.... I even left the auditorium after my announcement. Thereafter the general meeting of the Church district decided by a vote of the majority to settle this matter within its own jurisdiction, i.e. it did not comply with my request that they turn to the assemblies in regard to the office of the bishop. Another secret ballot was taken, and once again, with a large majority of votes confidence was granted to me. All of this does not mean that now, if the Council renders a decision concerning officers—and I truly hope that it will render a decision in this regard—I will not have to rely on the vote of the assemblies.

[Kiss] Returning to the matter of the Peace Conference, what do you envision as the need for the Peace Conference and the opportunity to renew itself?

[Toth] The fate of the Peace Conference is in the hands of the members of the organization. In other words, it does not depend on one or another church which may quit. The organization will soon hold a broadly based leadership conference in West Europe; that is where the future will be decided. Should it remain at all, alternatively: How should the movement continue its work? Members from Third World countries clearly insist on continued operations. The Sacred Synod of the Russian Orthodox Church has made a decision that it by all means wants to continue with the activities of the movement, and let us not forget: It represents a mass of people of between 50 and 60 million; it is one of the largest churches in the world....

**The Opportunity for Renewal**

[Kiss] But by now not even they need the umbrella which represents protection!

[Toth] In my view, some different tasks present themselves to churches. These pertain to joint, international cooperation. Throughout the world the approach between West and East increasingly signals the sharpening of conflicts between North and South. Another tension that must be relieved. And the other matter—we must recognize!—hereafter the world will not be concerned with conflicts between socialism and capitalism, but with sustaining life. One can expect that we are stepping into a world that transcends ideology, in which the central issue is the destruction of the environment and in conjunction with this the opportunities for human existence. This is a great challenge from the

standpoint of Christian philosophy and Christian deeds. Perhaps a greater challenge than anything we have seen before.

### New Elections Ordered

25000748B Budapest MAGYAR HIRLAP in Hungarian  
14 Jun 90 p 5

[Interview with Bishop Dr. Elemer Kocsis for the Reformed Church district beyond the Tisza River by (d. kiss) on 13 June; place not given: "The Reformed Church Council Decided: Leading Officials To Be Newly Elected"]

[Excerpts] The Reformed Church Council met in Budapest during the first two days of the week. It is the highest governing and legislative body of the Church. Bishop Dr. Elemer Kocsis for the Church district beyond the Tisza River, and minister chairman of the Council, informed our newspaper of the Council's workings.

[Kocsis] The creation of a new election law is the centerpiece of our Council's workings, and so is the related decision which may be regarded as having historic significance: The Council decided to hold new elections to fill the leading offices of the Church. The present, 9th Council of Budapest was formed in January 1989; consistent with Church traditions its mandate would have lasted 12 years. This is the first time in the history of the Reformed Church that new elections have

been called prior to the expiration of the term, and particularly after such a short period of time.

[kiss] Could it be that the movement for renewal is the reason for the extraordinary decision?

[Kocsis] The fact is that a paragraph which provides that the Church leadership "does not act in an illegal manner" if it nominates candidates for various Church offices found its way into our Church constitution of 1967. Undoubtedly, this provision violates the presbyterian principle, i.e. it conflicts with the democratic election traditions of members of the Reformed Church. In the end, this paragraph provided grounds for some doubts among certain ministers as to the legitimacy of today's Church leadership. Accordingly, at this time the Council agrees to assume the historic responsibility, and it will be measured by those who are most competent: the assemblies. According to the Council resolution, the election of presbyters, bishops, county and Church district bodies, and officers must take place by the end of February 1991, followed by the election of the Council. [passage omitted]

[kiss] What is the decision with regard to belonging to the Prague Christian Peace Conference?

[Kocsis] By a majority of 39 votes taken in secret ballot, the Council accepted the idea of a year-and-a-half moratorium, i.e., it granted this much delay for the world organization to renew itself, as needed. Only nine persons voted in favor of leaving the organization, and eight persons supported the idea that the Reformed Church unconditionally remain a member of the organization.



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